Daily Report

Latin America

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Daily Report
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FBIS-LAT-94-148 *2 August 1994*

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Andean Narcotics Chiefs View Drug Trafficking

PA3107145394 Quito Voz de los Andes in Spanish 2300 GMT 29 Jul 94

[From "The Voz Andes Newscast"]

[Text] Colombia's antinarcotics police director says that, despite its intense struggle against drug trafficking, the Andean subregion is still the world's foremost producer of coca leaves and cocaine. In order to reverse this situation, the antinarcotics police chiefs of Bolivia, Colombia, Ecuador, Peru, and Venezuela held a two-day meeting in Santa Fe de Bogota during which they agreed to increase their exchanges of information and joint surveillance. The Andean chiefs of police also pledged to struggle against drug-related crimes such as money laundering and the trafficking of precursor chemicals.

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Cuba

Security Council Decision on Haiti Rejected

PA0108212994 Havana PRENSA LATINA in Spanish 2019 GMT 1 Aug 94

[Text] Havana, 1 Aug (PL)—Today, Cuba strongly rejected the UN Security Council resolution authorizing deployment of a multinational force to intervene in the solution to the Haitian crisis.

A statement released by the Foreign Ministry indicated Cuba, one of Haiti's closest neighbors, has openly supported UN measures aimed at restoring democracy and constitutional order in that country. Nevertheless, the text stresses that Cuba feels it must strongly object to an action that could lead to a military intervention in Haiti at the behest of the Security Council, a body whose primary duty, according to the UN Charter, is to maintain international peace and security.

The Cuban Foreign Ministry statement adds "despite the many excuses that may be wielded to prove the contrary, the current situation in Haiti does not pose a threat to regional peace and security, which are seriously endangered by the escalating concentration of forces and U.S. troops in the Caribbean Sea due to the Haitian crisis."

The statement warns the entire world of "the dangerous consequences of these actions, which are consistent with constant efforts to expand the powers and attributes bestowed upon the Security Council by the Charter."

The document states decisions of this type establish "precedents that violate the most sacred principles of international law, particularly the territorial integrity and sovereignty of states."

According to the document, there can be no question that behind this decision (by the Security Council) are pressures from the United States, which, "far from seeking a fair settlement of the Haitian conflict, seeks only to guarantee its strategic, regional interests."

The text, which circulated in this capital today, also states "the U.S. presence in Haiti, overt and covert, has historically led to the establishment of cruel, military regimes in every instance."

Washington was not completely detached from the coup d'etat that toppled the legitimate constitutional government of Jean-Bertrand Aristide, which had offered Haiti an alternative whereby it could overcome the serious problems it is experiencing, the document adds.

Foreign Ministry Statement

FL0208003894 Havana Radio Rebelde Network in Spanish 0002 GMT 2 Aug 94

[Foreign Ministry declaration from the "Exclusive" program]

[Text] The deployment of a multinational force to intervene in the solution to the Haitian crisis was approved by virtue of a UN Security Council resolution. It is an unquestionable fact that the United States' pressure is behind the Security Council decision. Far from pretending fair settlement of the Haitian crisis, the United States strives only to guarantee its strategic interests in the region.

The history of the United States' presence in Haiti, either overt or covert, has in every case led to installation of bloodthirsty military regimes. Washington was not unaware of the coup d'etat that ousted Jean-Bertrand Aristide's legitimate constitutional government, which offered Haiti an alternative to overcoming the critical problems that afflict it.

The Republic of Cuba, one of Haiti's closest neighbors, has truly supported actions adopted by the United Nations aimed at reinstating democracy and constitutional order in that country. Nevertheless, Cuba considers it essential to state its strongest rejection of an action that would result in a military intervention in Haiti, based on a mandate from the UN Security Council, an organization whose essential responsibility—as stated in the UN Charter—is to maintain international peace and security.

No matter how many pretexts are wielded to prove otherwise, the situation that currently prevails in Haiti does not represent a threat to the region's peace and security—which are seriously threatened by the military buildup and gathering of U.S. forces and troops in the Caribbean Sea because of the Haitian crisis.

The Foreign Ministry of the Republic of Cuba alerts international public opinion about the dangerous consequences of this action, is consistent with constant attempts to extend the UN Security Council's authority and jurisdiction beyond the limits granted by the Charter, establishing precedents that violate the most sacred principles of international law, particularly the lack of territorial security and the states' sovereignty.

[Signed] Foreign Ministry.

Correspondent: Haiti 'Calm'; Future 'Uncertain'

FL0108182894 Havana Radio Rebelde Network in Spanish 1700 GMT 1 Aug 94

[Telephone interview with unidentified Radio Metropole correspondent, in Port-au-Prince, by Roberto Cavada on 1 August; from the "National Radio News"—recorded]

[Text] [Cavada] How is Haiti?

[Correspondent] Haiti is very calm. The people of Port-au-Prince are out in the streets working. The Jonassaint government declared a state of seige last night. The situation is calm.

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[Cavada] Are there armed people, policemen, or militiamen patrolling the streets?

[Correspondent] No. The streets are very calm. The Jonassaint government's declaration on a state of seige gives the military the power to investigate and take strong measures. Yet, everything remains calm. Haiti's future is very uncertain and sad because of the UN Security Council decision to allow the United States to intervene militarily in Haiti.

Guantanamo Authorities Prepare for Haitian Exodus

FL0108194794 Havana Radio Rebelde Network in Spanish 1723 GMT 1 Aug 94

[Report by Leonel Perez Moya from Guantanamo Province for the "National Radio News"—figures as received]

[Text] Cuban authorities currently provide humanitarian care to approximately 400 Haitian citizens who have arrived on our coasts. The refugees at the Punta de Maisi camp, located on the easternmost part of the island, include 297 men, 55 women, some of them pregnant, and 22 children. They had boarded six fragile boats to escape the extremely poor political and economic situation in Haiti. The flimsy boats in which the Haitians tried to reach Miami capsized when they crossed the dangerous Windward Passage, an area between Cuba and Haiti where strong winds and maritime currents prevail.

Due to an imminent U.S. military invasion, there is the possibility of a mass exodus from Haiti. The authorities in Guantanamo Province will therefore prepare additional facilities in the other 10 municipalities to shelter a larger number of Haitians in the event that large-scale arrivals of refugees occur on Cuban shores.

During a recent visit to the Punta de Maisi camp, where nearly 400 Haitians are cared for, Alberto Aragon, UNHCR representative in Havana, recognized the humanitarian treatment of the Haitian immigrants by the Cuban authorities and the Red Cross.

Article Opposes Military Intervention in Haiti

PA3107224194 Havana PRENSA LATINA in Spanish 1010 GMT 30 Jul 94

["Exclusive" article by PRENSA LATINA contributor Alfredo Vasquez Carrizosa, former Colombian foreign minister and prominent politician: "Haiti Going To Hell"]

[Text] Bogota—Haiti is currently Latin America's sore thumb. The military government dominating the Caribbean island expelled the OAS and UN missions that were apparently monitoring the human rights situation. Dante Caputo, the international organizations' special envoy, called the action "an insult to the international community."

Although it does not have the unanimous support of the American governments, the United States is quite prepared to invade Haiti, saying that there is no other way to get rid of the military government headed by General Raoul Cedras.

Mexico and Panama, for example, have openly expressed their opposition to the aggressive solution, which, in the end, is not a true solution to the problem but rather a postponement for a few months until they think of a real solution.

We cannot help but remember the U.S. ties to the dictatorial regime of Francois Duvalier in the sixties, when the Cuban revolution emerged.

In his book Contemporary Caribbean, historian Gerard Pierre Charles shows us how the American superpower "sided with the oligarchic sector headed by Duvalier, a former technical-hygiene services official at the U.S. Embassy in Port-au-Prince."

That is to say, during the decisive era when Latin American political, economic, and social democracy was getting stronger.

We cannot forget that the United States occupied Haiti militarily for a long time—from 1915 to 1934—and that since then it has managed the Caribbean island's politics and economy by remote control.

Thus the responsibility for the lack of political and economic development in Haiti is to be blamed on the American superpower. The military Duvalierist faction which, according to this writer, carried out the coup d'etat with the support of the oligarchy and with strong U.S. backing, emerged as a hegemonic group, organized under the new constitution.

The current catastrophic situation is thus linked to the recent past. Even the "Tontons Macoutes," a paramilitary group that became the terror of the Haitian population, emerged from the police force, which turned into hooded bands committing crimes without any other constraints than the dictates of Duvalier himself.

Duvalierism also turned the U.S. military force into shock troops at the service of a dictatorship.

Thus the anti-Duvalier sectors that had existed until that time, the liberal sectors under the John F. Kennedy administration, and the traditional opposition groups faithful to the State Department who expressed their discontent from Santo Domingo, Caracas, and New York began to dwindle.

That was how Duvalier imposed his son, Jean-Claude, as his successor, and thus we can weave a chain of responsibilities that ends in the present.

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The military occupation of Haiti is not a solution, nor will it remedy the internal strife in this country. As a member of the OAS and the United Nations, the people of Haiti should be educated so they are able to democratically and peacefully elect their leaders. This cannot be achieved with a foreign military occupation, which will have the complete opposite effect.

Instead of a foreign military occupation, Haiti needs an education program, with international financing, to create productive citizens instead of the thousands of immigrants we see on television every day.

We have already learned some things with the presence of foreign military forces in Nicaragua and Panama; countries traumatized by another country's military oppression.

There must be a group of delegates from democratic nations in the UN Security Council and at the OAS who can remember the past and organize a future for that Caribbean island.

Latin American must continue to advance, avoiding the mistakes of the past and the custom that every political crisis in Central America and the Caribbean has to be resolved by the mobilization of U.S. troops.

We have lived long enough to be able to distinguished the abominable past from our continent's democratic future.

UN 'Green Light' to Invasion Viewed

PA0208031194 Havana PRENSA LATINA in Spanish 1500 GMT 1 Aug 94

[By Francisco Urizarri]

[Text] The UN Security Council's green light to a multinational invasion of Haiti has stirred up an unusual, nationalistic sentiment within the Haitian de facto regime.

The Haitian regime has decreed a state of emergency as of dawn today and issued a communique with nationalistic appeal that apparently did little to motivate a people that faces military terror.

Radio Metropole, of Port-au-Prince, has confirmed the people of their country showed little interest in the UN decision or the establishment of the forceful measure, while the Army and police were confined to the barracks.

At the United Nations yesterday, after lengthy debates, six drafts, numerous consultations, and despite the opposition of several Latin American countries, the Council approved the use of force to topple the Haitian military coupists who are preventing the return of deposed, constitutional President Jean-Bertrand Aristide.

Cuba, Mexico, Venezuela, and Uruguay, who were guests of the Council, and Brazil, a nonpermanent member, have opposed the invasion and denied that diplomatic means to resolve the crisis had been exhausted.

Mexican Representative Victor Flores Olea has said Resolution 914 is a blank check with dangerous consequences, and his opinion seems to reflect the general Latin American feeling.

Only Argentina, which occupies one of the 10 temporary seats of the Council, supported the intervention, arguing that the Haitian situation cannot endure any further delay.

Several of the continental publications, which fairly criticize the military repression and usurpation of power by the Haitian government, also warn of the U.S. role in the crisis.

The U.S. Administrations were characterized these last decades as backing the Duvalier Haitian dictatorships (1957-1986) and the military but were harsh critics of the fleeting Aristide administration [words indistinct] September 1991.

The Pentagon and the CIA have maintained tight links with Haiti's top military leadership, especially with chief coupist General Raoul Cedras, who was a military attache in Washington for many years.

The signals of support from these two institutions have served as encouragement to Cedras and his general staff to confront international attempts, including by the U.S. State Department, to return Haiti to constitutionality.

Mounting repression over the past months by the de facto regime and the economic crisis spurred a greater number of Haitians to travel abroad, particularly those known as "boat people" [previous two words received in English], who began arriving by the thousands along the Florida coasts.

First, during George Bush's administration, and now, under William Clinton's administration, the U.S. refusal to admit the Haitians who emigrate became one of the most significant elements in bilateral relations.

The continuation of this flow and its repercussions on U.S. domestic policies encouraged the White House to intensify pressure to seek a solution, which, due to the difficulties to find a solution through peaceful means, now seems more and more inclined to be through force, which the United Nations has now legalized.

The eventual arrival of foreign troops will force Haitians either to defend their fatherland or give in to the international community with the hope that oppression ends and the airs of a fresh democracy arrive.

Colombia's Pardo on Participation in Haiti Invasion

FL0108212594 Havana Radio Rebelde Network in Spanish 1700 GMT 1 Aug 94

[Report by Margarita Torres for the "National Radio News"]

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[Text] Colombian Defense Minister Rafael Pardo Rueda returned to his country this morning, leading a high-level delegation that visited Cuba over the weekend. Army General Raul Castro Ruz, minister of the Revolutionary Armed Forces, bid him farewell at the airport terminal following visits to various centers of scientific and military interest.

Shortly before his departure, the Colombian defense minister received the honors that correspond to his rank, at the Cacahual Mausoleum, where he placed two wreaths—one at the tomb of Captain Gen. Antonio Maceo and Francisco Gomez Toro, his aide de camp, and one at the tomb of Juan Fajardo Vega, the last mambi [19th century Cuban independence fighter] from our war of independence.

Later on, still accompanied by Army Gen. Raul Castro, the Colombian delegation went to Jose Marti International Airport where Rafael Pardo Rueda answered journalists' questions regarding the possibility that his country will help comprise the international force preparing to invade Haiti.

[Begin Pardo recording] I have no knowledge that Colombia has been asked to participate and, in this regard, there has obviously been no request or evaluation of Colombia's position on this issue. [end recording]

Raul Castro Accompanies Colombia's Pardo on Tour

FL0108173794 Havana Radio Progreso Network in Spanish 1100 GMT 1 Aug 94

[From the "First Thing" program]

[Text] Colombian Defense Minister Rafael Pardo Rueda has met the demands of a tight work schedule, accompanied by Army General Raul Castro Ruz, Revolutionary Armed Forces [FAR] minister. Dr. Manuel Limonta, director of the Center for Genetics and Biotechnology, discussed current and future Center research and noted that working relations with Colombia are good. Concepcion Campa, Finlay Institute director and Politburo member, reported that Colombia is the second country—after Brazil—to purchase the meningitis vaccine. She also referred to the scientific exchange with several countries and noted that Cuba has 12 vaccines, which is far superior to the six that WHO considers acceptable for health care. The Colombian defense minister also visited the FAR's Maximo Gomez Academy, where Academy Director General Juan Pujols detailed the academy's curriculum and teaching methods.

Ecuador's Paredes on Accords, Trade, Tourism

FL3107185994 Havana Radio Rebelde Network in Spanish 2300 GMT 29 Jul 94

[Report by Roberto Cavada; from the "Exclusive" program]

[Text] Ecuadoran Foreign Minister Diego Paredes concluded his second working day in Havana just minutes ago by meeting domestic and foreign reporters accredited in Cuba. He detailed the three agreements he and Roberto Robaina, his counterpart, signed at the Foreign Ministry this afternoon, agreements on tourism; biotechnology; and research on plague-resistant plants, specifically plantains, which as many know is one of Ecuador's main exportable goods. He also spoke of future Ecuadoran investments in Cuba:

[Begin Diego Paredes recording] We are just a little more than three hours away by plane. Ecuador has many important products to sell Cuba. We want tourists from other continents to feel doubly attracted when they are offered a package that includes the beauty of this region and this country and our country. [end recording]

Ecuadoran Foreign Minister Diego Paredes met President Fidel Castro and held work meetings with the national heads of tourism, investments and cooperation, foreign trade, and parliament during his first visit to Cuba. Paredes will meet Cuban businessmen from the tourism sector at Varadero Beach before departing tomorrow. Eduadoran businessmen are scheduled to visit the island after Paredes' departure.

Vietnamese General Interviewed on Solidarity

PA0108152794 Havana PRENSA LATINA in Spanish 1850 GMT 31 Jul 94

[Report on "exclusive" interview with Vietnamese General Vo Nguyen Giap by PRENSA LATINA Director General Pedro Margolles Villanueva in Havana on 31 July]

[Text] Havana, 31 Jul (PL)—His face is serene, a product of simplicity and age. We are with Vietnamese General Vo Nguyen Giap, a symbol for the weak who know how to win.

He is the hero of the Vietnamese resistance against the French and U.S. offensives in Vietnam. This man—considered one of history's greatest military geniuses by the British Defense Council—believes the doctrine of the war of all the peoples, which Vo Nguyen Giap and Ho Chi Minh created, "is still valid, because people are a nation's strength and, at the same time, its owners who create everything that a nation needs to survive."

In an exclusive interview with PRENSA LATINA, Vo Nguyen Giap expressed his conviction that "a war of all the peoples generates an enormous and incredible amount of power."

Vo Nguyen Giap has just ended a visit to Cuba, after having been invited to the 41st anniversary celebration of the assault on the Moncada barracks.

He is very happy to have participated in the ceremony held on the Isle of Youth, where he met with Cuban President Fidel Castro and other former Moncada combatants.

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"I bring the warmest friendship and solidarity with the Cuban Revolution from the Vietnamese people, the Armed Forces, the Communist Party of Vietnam, and the Vietnamese Government," Vo Nguyen Giap said.

He was very pleased to see that the Communist Party of Cuba [PCC] valued the strength of its young people. At this moment, they are one of the main pillars of the Cuban Revolution; they generate tremendous power for labor and a great willingness to fight, he said.

Vo Nguyen Giap, who commanded the famous battle of Dien Bien Phu and led the resistance against U.S. aggression in Vietnam to victory, is convinced that Cuba's young people "will help overcome all difficulties in defense of the victories won so far; will carry the revolution forward; and will defeat imperialistic schemes, hostile forces, and the blockade policy of Yankee imperialism."

Regarding the speech given by Army General Raul Castro, the Cuban minister of the Revolutionary Armed Forces who was the main speaker for the 26 July celebration, Gen. Vo Nguyen Giap remarked on the validity of the strategic guidelines, especially for current economic and political tasks. This speech—a speech aimed at Cuba's young people of both sexes—was received with enthusiasm and support, which demonstrated the young people's faith in Fidel Castro and the PCC.

Reflecting on this anniversary of the assault on the Moncada barracks and Cuba's current situation, Gen. Vo Nguyen Giap recalled a Ho Chi Minh saying: "Nothing is difficult if you have patience. If you possess this, then you will be able to move mountains and fill the seas with goodwill."

These words have been set to a popular Vietnamese young people's song. "I, myself, love young people very much. I am old now, but my soul and my spirit are still very young. That is why I enjoyed the 26 July celebration on the Isle of Youth so much," Vo Nguyen Giap said.

Asked why the Vietnamese people feel such great solidarity with Cuba, Vo Nguyen Giap said: "The bond felt by the Vietnamese people, especially that of the youths and pioneers is very profound. Despite the great distance separating the two countries, the goals and ideals of our parties, nations, and our youth are the same; they are none other than independence and socialism. That is why the children of Ho Chi Minh's homeland cannot be loved any more than the children of Jose Marti's homeland."

I was deeply moved, Vo Nguyen Giap added, by the results of the Vietnamese students' solidarity movement in support of Cuban students. Vietnamese children were able to collect more than 5 million school articles for Cuban children, which made me very happy. I personally spoke with the pioneers during their drive, and they told me they had very deep feelings toward the Cuban people, like the feeling one has for a very close brother, and that they considered the cause of the Cuban people to be their own.

Fidel, Raul Castro Meet Western Provinces' Party Cadres

FL0108011594 Havana Radio Rebelde Network in Spanish 1700 GMT 30 Jul 94

[From the "National Radio News"]

[Text] Commander in Chief Fidel Castro is chairing the final meeting with leading party cadres from the western provinces. Army General Raul Castro chaired yesterday's meeting, which included discussion of the main problems facing the public. This assembly concludes a process which began this month in the eastern and central provinces. The meeting will conclude today with a discussion of the difficulties that Havana City Province and the special municipality of the Isle of Youth face. A delegation of political and administrative leaders is also attending this assembly, which aims to establish a course of action to confront with efficiency and solidarity the challenges of the special period, the effects of the U.S. blockade, and enemy campaigns against Cuba.

The Cuban Communist Party [PCC] first secretary on the Isle of Youth opened this morning's meeting with a report on that municipality's food program, which is still far from satisfying the public's needs. The established techniques and biological means for food production are not being followed and the Party's grassroots organizations have not been involved in problem-solving, which delays decisionmaking aimed at finding a solution.

Sugar Industry Minister Nelson Torres discussed the current sugar harvest and preparations for the upcoming harvest. He also discussed the sugarcane Basic Cooperative Production Units [UBPC], as well as the sugarcane weeding and planting campaigns. Nelson Torres said that 40 percent of the western provinces' sugarcane crop is covered with weeds and that it must be tended to because of the humid months and fewer personnel to work the fields. He also pointed out notable planting deficiencies because it is being done with improper preparation of the soil and the seeds are not of optimum quality to guarantee good yields.

Jorge Lezcano, PCC first secretary in Havana City, right now is discussing the capital's most pressing problems, including nutrition, health care, hygiene, the water supply, and the state of housing and transportation. Lezcano said that the state has set aside the funds to purchase 200 used buses from abroad, all of which are in very good condition. He said that this is part of the city's program to improve transportation, which includes the incorporation of the so-called camels [camellos]. Of the 270 to be incorporated by 1995, 55 are already in use. He also mentioned that improvements in the organization and discipline of the transportation sector have

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increased income and the number of trips. Havana City's report is expected to be one of the most debated reports.

Fidel Castro Closes Meeting

PA3107040994 Havana Radio Havana Cuba in Spanish 0000 GMT 31 Jul 94

[From the "Evening Information Review" newscast]

[Text] Cuban President Fidel Castro on 30 July closed an important meeting with leaders of the Communist Party of Cuba [PCC], government, and mass organizations of the western Cuban regions to analyze the socioeconomic and political situation of this territory.

Politicians and administrative officials of the provinces of Pinar del Rio and Havana, Havana City, and the special municipality of Isle of Youth presented their reports during the meeting, which began on 29 July and was presided over by Raul Castro, second secretary of the PCC.

The ministers of agriculture, sugar industry, and finance and prices—three important ministries involved in the national effort to cleanse public finances, grow foodstuffs, and improve the economy—also presented their reports.

The meeting, held in a very democratic atmosphere, critically evaluated the objective and subjective obstacles hindering production and contributing to making the special period, triggered by the fall of the socialist world and the toughening of the U.S. economic blockade, more difficult.

Agricultural production and the distribution of food to the population were two of the issues widely discussed, as well as the need to make more efficient the mechanisms for bringing crops, which are very scarce, to the cities.

This meeting with the western region followed two other meetings held in eastern and central Cuba with political, governmental, and social leaders of the 14 provinces and the special municipality of Isle of Youth. These meetings represent a new working style and consolidate the changes taking place in the country.

ANPP To Review Draft Tax Law on Income, Real Estate

FL2907222194 Havana Radio Rebelde Network in Spanish 1700 GMT 29 Jul 94

[From the "National Radio News"]

[Text] The upcoming revision of a tax law by the National Assembly of the People's Government [ANPP] will help explain an unavoidable economic reality, meaning the state is duty-bound to seek revenues to cover its expenses if it wants to put domestic finances on a sound basis.

The revision of an issue that will have widespread repercussions shall begin next Wednesday, based on a draft tax law prepared by a team of experts from the Ministry of Finance and Prices. Juan Buria, a journalist from the National Information Agency, said the team—which is composed of economists, jurists, and other professionals—drafted a 19-page document which clearly specifies the type of tax, who must pay it, how much he must pay, and where he must pay it, among other details. Nevertheless, the specialists insist that the tax system in Cuba is not targeted against the common people; they emphasized that the state must cover the costs.

The revenue law is aimed at reorganizing relations with the production sector, although this will not rule out taxes on real estate, salary, and other items because the idea is to implement an overall tax system. Nevertheless, its implementation will be gradual and flexible. The document even foresees bonuses and extensions. Referring to this, experts from the Ministry of Finance and Prices used housing as an example. They said there are approximately 2.7 million houses in the country; yet it is estimated that only half of them will be taxable because, among other things, uninhabitable houses will be exempt.

Finance Minister Explains Tax System at ANPP Session

FL0108235994 Havana Radio Reloj Network in Spanish 1943 GMT 1 Aug 94

[Text] During a meeting of two National Assembly of the People's Government [ANPP] commissions, preparatory to the ANPP 3 August session, Finance and Price Minister Jose Luis Rodriguez stated that we are working for a gradual, flexible tax system. Rodriguez explained the difference between taxes, fines, and penalties and insisted that the people's lack of understanding of these issues promotes confusion. The people have difficulty understanding the difference between payments made for not upholding laws and the establishment of a tax system. Rodriguez noted that implementation of the system is necessary because of the the changes that have taken place in the world and transformed our economic relations, especially our foreign trade. Rodriguez added that it is not only for collecting circulating money, but to establish paths capable of stimulating production in our economy's difficult situation.

In reference to the state's framework for regulating and controlling the tax system, Rodriguez advised that organizational mechanisms are to be established.

Rodriguez went on to point out that some modest results have already been achieved through the measures implemented, such as the results of deregulated cigarette sales. Rodriguez stressed that understanding of these measures is linked to whatever explanations and reasoning the ANPP is able to offer. He added that each isolated measure of the tax system does not indicate the same visible results as when observed as a whole, aimed at avoiding repetition of the excess currency phenomenon.

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A question-and-answer period followed Rodriguez' extensive explanation, in which deputies of the economic commission and the constitutional and judicial commission took part.

Drop in Amount of Money in Circulation Reported

PA0108001894 Havana PRENSA LATINA in Spanish 1805 GMT 30 Jul 94

[Text] Havana, 30 Jul (PL)—The excess money in circulation in Cuba, estimated at 11.895 billion pesos, decreased by some 400 million in mid-July, Finance Minister Jose Luis Rodriguez reported today.

The decrease took place between 1 June and 15 July, when the circulation of money reached 11.499 billion pesos, equal to the dollar at the official exchange rate.

The implementation of price increases for cigarettes and tobacco, among other nonessential products, resulted in the collection of 433 million pesos, the minister said.

Rodriguez also described as positive the handling of the state budget during the first six months of the year, when revenues exceeded expenditures slightly.

He admitted, however, that there was a small increase in subsidies for insolvent enterprises, an area which should see a substantial reduction this year.

On 3 August the Cuban deputies will begin debating a draft tax bill during the regular period of sessions of this legislative branch.

The collection of taxes, aside from helping to strengthen the economy by reducing the amount of excess money in circulation, will represent an economic and social contribution to the country, according to legislative branch sources.

Authorities: More People Seeking Self-Employment

PA0108023894 Havana PRENSA LATINA in Spanish 1515 GMT 31 Jul 94

[Text] Havana, 31 Jul (PL)—The Cuban Labor and Social Security Ministry announced today that over 160,000 people throughout the country are currently self-employed.

The expansion of this type of employment began in September 1993 with the proclamation of Decree Law 141 regulating self-employment. According to the Labor and Social Security Ministry report, there is an upward trend in requests for self-employment.

A total of 130 specialties can be exercised at present in Cuba through self-employment, among them hairdressing, arts and crafts, carpentry, photography, taxi service, and plumbing.

Licenses are issued by local administration agencies which describe the jobs and conduct quality control inspections to avoid abuses by license holders.

With an increasing number of people engaging in self-employment, the Cuban capital and other cities in the country are experiencing livelier and more frequent traditional arts and crafts fairs which are visited by thousands of people, including foreign tourists, particularly on weekends.

Tourism Minister Lists Main Markets

FL0108020094 Havana Radio Rebelde Network in Spanish 1700 GMT 30 Jul 94

[Report by Giselia Veleredia; from the "National Radio News"]

[Excerpts] The Melia-Las Americas Hotel, the country's first five-star hotel, is an historic landmark as far as design and construction are concerned. [passage omitted]

Tourism Minister Osmany Cienfuegos attended the hotel's grand opening, chatting with everyone about the hotel and the new Ministry's main markets and first semester achievements:

[Begin Cienfuegos recording] The traditional markets' behavior continues as usual, but some of them have grown a lot. The UK has grown quickly; France is also quickly growing; Italy remains good; Spain's growth is good; Argentina remains good; Germany has not grown at the rate we need, like it did last year. In other words, those other European markets—England, France—are important and they are new markets. They are doing well. [end recording]

Commentary on Improvement of Health Workers' Life-Style

FL2907013994 Havana Radio Rebelde Network in Spanish 1700 GMT 28 Jul 94

[Commentary by Susana Tesoro; from the "National Radio News"]

[Text] First things first. The axiom most defended by the social system that prevails in Cuba is that our most valuable natural resource is man, and fulfillment of workers' basic needs—so they can produce and render better service—has become a permanent goal.

We have occasionally heard the phrase, attention to man, as some kind of unfulfillable slogan. We have also seen how agrarian and construction contingents with certain life-styles and foods are more productive.

There are sectors that have been given priority status by the state, yet the workers are subject to a high degree of sacrifice and their needs are not always fulfilled as they should be. We must be particularly careful about this.

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No one ignores the fact that workers in the education and health sectors, which are priority sectors, must have strong vocations and dedication to perform their respective jobs, bearing in mind the lack of material resources they face when carrying out their daily tasks.

If we specifically refer to the case of doctors, technicians, and health personnel in general, we must admit that these men and women, under the current conditons, carry out heroic tasks; and sometimes, food in the hospitals, while on duty, is not the most adequate for those who carry out such important social tasks.

That is why it is so pleasant to learn that one of the agreements reached by the plenum of the party's provincial committee in Ciudad de la Havana, the territory with the largest number of health facilities in the country, was to emphasize the need for worker incentives in that sector.

Although there is criticism of subjective deficiencies, which have nothing to do with material resources, it is true that working conditions for such valuable personnel must necessarily be improved because the lives of our people depend mainly on them.

Article Views Progress of Cooperative Production Units

PA0208131294 Havana PRENSA LATINA in Spanish 1015 GMT 1 Aug 94

["Exclusive" article by PRENSA LATINA's Silvio J. Mendiandua: "Cuba: Questions About Increases in Agriculture Production?"]

[Text] Havana—Analysis of the workings of Basic Cooperative Production Units (UBPC), a new prototype in Cuba's rural framework, clears up some uncertainties about the possibility of increasing the agriculture production that the country so urgently requires.

The process of establishing the UBPC began in October 1993 with the unprecedented step of allowing former farm workers to operate on state-owned property guided by principles of autonomy and profit. This created numerous expectations within as well as outside of Cuba about future productivity.

Although agriculture authorities have ruled out as premature any conclusions about productivity only nine months since the creation of the first basic unit, they believe it is necessary to highlight positive and negative trends to help make these more widespread or to help implement further changes.

This is why they convened a meeting of managers of the 50 most productive companies, so that the latter might share their experiences, exchange methods, and set up permanent training, regulatory, and communications structures.

These objectives were met. According to official sources consulted about the meeting held 15-16 July in the city of Ciego de Avila, it was determined that the decision to create the UBPC was correct.

Cuban Vice President Carlos Lage Davila was categorical on this point, noting that the new agricultural entities have been working in a positive fashion.

These assessments by Lage, who is responsible for agricultural issues, as well as those by Agriculture Minister Alfredo Jordan, highlight the fact that several units are proving their real potential even amid the current lack of resources.

During the meeting it was determined that there were positive trends in the rational use of manpower, increases in productivity, declines in production costs, and use of worker incentive policies.

Minister Jordan asserts that the experiences of the country's 50 best UBPC's could spread among the 1,076 units already in operation. Also, if they are all able to implement these experiences adequately, tuber and vegetable production could increase to levels required by the population.

Likewise, the discussions noted that certain limitations common in former state enterprises persist, such as unnecessary meetings and the need for more autonomy, something to which new managers must become accustomed.

One measure agreed upon in order to prevent shortcomings was simplification of the UBPC's administrative systems by improving regulations that will be strictly observed. This will permit farm supervisors to concentrate on more productive tasks.

The meeting also established the need for more fluid exchanges of information on the best crop rotation techniques, uses of manpower, guidelines for agricultural techniques when inputs are short, and methods for estimating production costs.

UBPC's encompass 36 percent of Cuba's arable land, nearly 1.16 million hectares. Their production of grains, vegetables, tubers, cattle, oxen, sheep, and goats is essential in meeting the nutritional needs of a population totalling nearly 11 million.

Cuba has been enduring severe economic limitations following the fall of the European socialist bloc and an increase in the U.S. blockade of the island.

This is all evidenced by a sharp scarcity of fuel and inputs required to increase agriculture production.

In this context and that of the overall national agrarian structure, the answers to production expected from the UBPC are awaited with marked expectation by the population. This is why Cuban authorities are jealously protecting the beginning, development, and consolidation of this new strategy.

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Other forms of production are also being developed in addition to the UBPC. These include the so-called small plots turned over to state organizations in order to improve food supply for workers' dining halls and plots destined for this same use by the Armed Forces and other entities.

In addition, so-called "integrated farms," created by the Youth Labor Army [Ejercito Juvenil del Trabajo], have also emerged. These include servicemen between the ages of 18 and 25 who carry out their regular military duties in addition to farming tasks in units transferred to their total control less than a year ago.

NOTIMEX, PRENSA LATINA Sign Cooperation Accord

PA0108014994 Mexico City NOTIMEX in Spanish 1624 GMT 30 Jul 94

[Text] Havana, 30 Jul (NOTIMEX)—The Mexican News Agency NOTIMEX and the Cuban News Agency PRENSA LATINA have signed an agreement here for information exchange and technical cooperation to improve the operation of both news services.

According to the agreement, NOTIMEX will facilitate the transmission of PRENSA LATINA news items to Mexican and Central American subscribers, while the Cuban agency will disseminate NOTIMEX services to its subscribers in Cuba.

The agreement, considered the most comprehensive made between the two state agencies in three years, was signed by NOTIMEX Director General Ruben Alvarez Mendiola and PRENSA LATINA President Pedro Margolles Villanueva.

Alvarez Mendiola ended a one-day visit to Havana on Saturday [as received] and returned to Mexico City this morning.

The NOTIMEX director said last night after the signing ceremony that the agreement will contribute to the development of better relations between the two countries from the viewpoint of rapprochement between the Caribbean nations.

"The two agencies are seeking a definitive share in the international news market, which is extremely competitive," Alvarez Mendiola added.

Margolles Villanueva said the agreement stems from the efforts of Caribbean nations to strengthen the region and establish more solid ties for cooperation.

"The agreement fosters the exchange of professional experience and is a noble effort for cooperation between the two agencies," the PRENSA LATINA president added.

The agreement expands existing procedures for news exchange and transmission facilities; improves conditions for the marketing of the two services; generates mutual savings in resources; is valid for one year; and includes an extension clause.

As a part of the agreement, the two agencies will provide facilities for their respective correspondent's offices in Mexico and Havana and will have annual work exchange programs for correspondents and technicians.

Javier Olavarria, minister counselor to the Mexican Embassy in Cuba, attended the signing ceremony in representation of Mexican Ambassador Carlos Tello Macias, who is currently not in Cuba.

Alvarez Mendiola was accompanied by National Operations Director Miguel Angel Velasquez and Administration and Finances Director Jesus Catano.

Panel Discusses Efficiency Assemblies

FL2907014694 Havana Radio Rebelde Network in Spanish 1600 GMT 28 Jul 94

["Straight Talk" program with host Osvaldo Rodriguez from BOHEMIA magazine, and guests Renato Recio and Eloy Concepcion from TRABAJADORES newspaper—live or recorded]

[Text] [Rodriguez] The deficiencies of the Assemblies for Economic Efficiency is the topic we will be discussing today.

I believe we have praised this process and stressed its validity, but I believe we need to point out the small defects or spots that we see on this sun. We have compared this process to the sun, which gives light but has black spots, since we must watch out for the purity of this assembly. I do not know what Renato is thinking, but he is looking at me very seriously.

[Recio] No, I agree with any analysis that points out the good and the bad because nothing is perfect. That is a law of life. I wanted to acknowledge the following fact: A few days ago I participated in an analysis by a department of the Cuban Workers Federation [CTC], which had the same goal—finding the defects to improve the process in the future.

[Rodriguez] Then we are in agreement with the comrades who analyzed this process.

[Recio] I believe so and think that this is very good for the country. If there is a good idea and people ponder its defects, that is good. Sometimes we do things we believe are so good, they are perfect; but when time goes by, we realize it was not so perfect, that it had defects. I believe one of the major problems seen in the assemblies has been the trend to conduct plenary meetings. In other words, bringing together all the workers from diverse sectors to discuss two single problems. This, of course, does not contribute to good results. It is obvious that the assemblies ought to be held by specific area, in which the problems discussed by the workers are understood and are of common interest.

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[Rodriguez] In other words, you are proposing to bring the discussion closer to the workers' level.

[Recio] To the workers' level. For example, if I am a maintenance worker, perhaps I will not have much to contribute when discussing a factory's general problems.

[Concepcion] In my opinion, these assemblies have to be safeguarded like a precious thing. I believe that to date, the assemblies have reflected today's national reality. The assemblies are a mirror. In other words, we should not expect the assemblies to reflect a nonexistent reality. I believe that one of the mistakes, or deficiencies, in general, is that the economic cost reports are generally poor and on occasion, too general. In other words, it gives general information but not specific costs for everything. At times, I have asked: How much is spent on electricity for the dining room? They do not know how much they spend per area. In other words, they just compute a general electricity expenditure figure. I believe the problem of the administrative report on costs, profitability, and expenses reflects the reality of the shortcomings of our administrations regarding economic problems. The economic efficiency assemblies are reflecting that inefficiency.

[Rodriguez] There is also the issue of what Recio mentioned about bringing the discussion closer to the workers' level. However, I was thinking that even then, there ought to be a collective discussion of all the factory workers because there are problems that are common to all areas or problems interconnecting areas. I believe that otherwise, we might fall into the trap of always analyzing somebody else's problems rather than our own. I believe that when the meeting includes all workers, you discuss everybody's problems, problems that involve everyone. I believe this is also necessary.

[Recio] I agree. I believe that after a process goes through the primary units, it ought to analyze the system in general. I believe this is one of the things the assemblies have to work at solving. I believe this perhaps ought to be solved at the managerial level at the initiative of the union bureaus. I do not think it is good to make resolutions from above, but it is obvious that we can have meetings of representatives from every area, or entire commissions or joint meetings of several areas. There are many possible mechanisms. I believe such initiatives ought to be fostered, although it is obvious that workers have to hear all opinions, and this is only done when all the people involved meet together.

[Concepcion] I also noted deficiencies in union leadership. Our union leaders have very little or no knowledge of the economic side of the factories, enterprises, Basic Cooperative Production Units, etc. Thus, the impression one gets is that the administrative leader is the main player in the assemblies and the union leader is a guest cast in stone.

[Recio] I would not be that absolute. I believe that every worker knows something about the economy, including union leaders. At least they have a hint. They know what is good and what is bad. However, it is evident that our union cadres, particularly at their base, but also on the provincial and national levels, lack economic training. This is one of the problems that the process of Economic Efficiency Assemblies have to solve.

[Recio] This process does not end with this cycle but ought to restart in a few months, and again, and again. Logically. If union leaders are not provided ever-increasing training on economic issues, then they are going to be surpassed by the workers. That is no good. It is not productive. Now, how do we accomplish this? Evidently, union leaders have to get advice from economists and the most highly trained people at the workplaces.

[Concepcion] In addition, the assemblies are a veritable school on economics.

[Recio] Yet, a school that needs to be bolstered by self-education, training. This is why I said that in any one enterprise, there are many members of the National Association of Cuban Economists; there are many members of the National Association of Innovators and Efficiency Experts who are not economic experts but have a technical expertise which on many occasions benefits the economy directly. What I am trying to say is that this cannot be accomplished if the union leader does not have the will to learn.

Perhaps all our union leaders were not elected to execute this function. I believe that in the last union elections, this problem was not an issue and economic expertise was not a criterion for election. Thus, in the next elections, the workers with more experience in the economic efficiency assembly process are going to elect union leaders more apt to handle this problem. I believe this is going to be a natural selection process.

[Concepcion] There is another issue that worries me about the assemblies I have attended: The issue of the accords. Generally, there is an accounting of the accords, the pledges. I am worried about the figures. For example: We have 20 things in the assembly; 14 have been fulfilled. People go for the mechanical aspect of the problems. On occasion, not always, they lose sight of the main goal. I believe that it is good that you suggested this issue because the assemblies have to be safeguarded above everything else.

We also have to keep in mind the following, that as it happened with the workers assemblies, since we are accustomed to creating false expectations, we expected the economic efficiency assemblies to reach the climax that the workers' assemblies attained. Yet, they are two completely different things.

[Rodriguez] You spoke about the union leaders. I was thinking about the assemblies in particular. I believe that as it happens when we speak of the people's government assemblies, those listening to us who have not have a

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good economic efficiency assembly at their workplace might think, what the heck are they talking about? We must mention that there are also places where we cannot criticize the leader's knowledge; there are places where the assemblies have not caught on because there they lack a comrade to get it moving.

[Recio] I do not agree completely with your view because the polls made and the common perception is that in general, the assemblies were accepted by the workers, and that for the most part it continued the spirit of the workers' assemblies.

[Rodriguez] You are speaking in general terms. I am speaking about the rest.

[Recio] It is a very small number. The image that I have is that the assemblies is that they have been productive; they have been embraced by the workers; the people are seeing them as useful. This does not mean there are no problems.

I am going to bring up another problem. We have seen the problem from the point of view of the union and administration leaders' deficiencies, but there is also this case: An administrator renders a good, well documented, but lengthy report. Therefore, the workers are overwhelmed by a report that includes everything under the sun.

I believe that this shows poor knowledge of managerial procedures because a good manager would use the occasion to emphasize three or four issues, only a few, only the main ones, those that truly determine efficiency. Why get lost in the details when you can get to the core.

[Concepcion] Another issue that has been stressed day in and day out is to not overburden the economic efficiency assembly. These meetings are to discuss economic efficiency. I have attended several assemblies that are exemplary in terms of administrative reports and union leader participation, such as the one in the Industrial Gases Enterprise in Santiago de Cuba, and others in Moa, Mayari, and Holguin—assemblies that have been truly efficient.

[Recio] I believe that is the more general trend. There have been good assemblies and not so good. However, we all have to learn from this process and this is why—as I said at the beginning—no matter how good we might think this process is, as encouraging as it might seen, we have to keep our eyes open to see what can be improve, what course might be harmful, in order to correct them before long. As Eloy said, we have to cherish this as our own vision.

Roundup of Criminal Activity

FL0108121294

[Editorial Report] The following is a compilation of reports on criminal activity monitored between 25 and 31 July:

Investigators tracking the corrupt conduct of three Havana bakery managers have discovered that bread and assorted pastries were being prepared for sale on the underground market for more than six months. Bread was sold for three or four pesos and cakes were sold for 150 pesos. The managers also purchased bags of flour stolen by drivers from the port of Havana and cut back on the ingredients in the bread and pastries, thus violating established norms and affecting the products' quality and weight. Profits were divided among the managers and the director of the Food Industry Basic Unit in Rancho Boyeros. (Havana Radio Progreso Network in Spanish 1100 GMT 28 Jul 94)

Over 360 people in Varadero Municipality, Matanzas Province, have been fined in three months for violating Decree-Law 186, which regulates self-employment. Fines ranged from 500 to 1,500 pesos. Some of the violations include selling eggs, birds, pizza, sandwiches, cakes, agricultural products, and hand-crafted items. A total of 38 drivers were fined between 1,200 and 1,500 pesos for not having a license to transport passengers. Several clandestine cafeterias were also discovered. Most of the violators are from Matanzas, Villa Clara, Guantanamo, and Havana City Provinces. (Havana Radio Rebelde Network in Spanish 2300 GMT 28 Jul 94)

A total of 12 people have been apprehended in Reparto La Mar, Habana del Este Municipality, Havana City Province, for stealing the clothing and personal effects of citizens on the streets late at night. These people used firearms and blunt instruments to intimidate and, in some cases, attack their victims. The group confessed to 55 robberies of this type and to selling the stolen articles to obtain important financial benefits for themselves. Investigators have discovered that these people have both criminal and antisocial behavior records. These people are in jail awaiting trial and could receive sentences of 10 to 20 years in prison. (Havana Radio Progreso Network in Spanish 1100 GMT 25 Jul 94)

Correction to Raul Castro Delivers Moncada Address

PA2707155094

The following corrections pertain to the item headlined "Raul Castro Delivers Moncada Anniversary Address," published in the 27 July Latin America DAILY REPORT, pages 1-4:

Page 1, column one, paragraph one, only sentence make read: ...Dear Fidel; beloved Comrade Army General Vo Nguyen Giap, illustrious representative of... (capitalizing honorific, confirming Vietnamese official's name, correcting punctuation)

Page two, column two, paragraph two, sentence two make read: ...floods in only 12 months there have... (correcting figure)

Page two, column two, paragraph four, from end of second sentence make read: ...Isle of Youth. These

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meetings, which will be presided over by a large delegation from the Politburo together with members of the party's provincial politburos, will include the participation of the first secretaries of municipal committees, the leaders of the UJC and mass organizations, the presidents of the people's governments, as well as FAR and Minint [Ministry of Interior] commanders. These meetings will... (supplying dropped sentence)

Page two, column two, paragraph six, only sentence make read: ...force of the close-knit masses can accomplish... (replacing "questioned" with "close-knit")

Page three, column one, paragraph three, sentence one make read: ...to eradicate illiteracy in one year, that we could... (adding phrase "in one year")

Page three, column two, paragraph four, sentence two make read: ..the U.S. Senate, quote, found, unquote, there was a... (rewording for clarity)

Barbados

Central Bank Governor Reports Economic Figures

FL3007142694 Castries HTS Caribvision Television in English 1945 GMT 25 Jul 94

[From the "Caribbean Evening News" program]

[Text] The governor of the Central Bank in Barbados, Calvin Springer, has described Barbados's current economic status as encouraging. However, despite a 3.8 growth in economic activity for the first six months of the year, unemployment remains the biggest bugbear. Vere Walcott reports on the latest economic figures:

[Begin recording] [Walcott] Economic growth continues to be fueled by the increased output in sugar—placed at 6.4 percent for the period—and tourism, which grew 15.4 percent. According to Mr. Springer, the buoyancy in tourism boosts wholesale and retail activity as well. In specific areas, construction was up 6.2 percent, due mainly to public sector capital projects, while the wholesale and retail sectors [words indistinct] 5.5 percent, and transportation, storage, and communications expanded 3.2 percent. Business and other services also increased 2.4 percent, and nonsugar agriculture—like fish (?landings) and chicken production—were also up by one percent. And what about the rest of the year?

[Springer] The Central Bank estimates that real economic activity in the Barbadian economy is expected to expand by approximately three percent for the year as a whole. Most of this projected growth is expected from tourism, which should benefit from continued expansion in charters and more scheduled flights. The United Kingdom and German markets are expected to expand, but efforts will be necessary to stem the decline in arrivals from the United States and to improve those from Canada.

[Walcott] Mr. Springer said of the other export sectors, neither nonsugar agriculture or manufacturing are likely to record any significant improvements. He says unemployment showed a 4.2 percent improvement and is contained at 22.9 percent, a situation that the top banker remains very unhappy with.

[Springer] Increased job creation should accompany the anticipated expansion in tourism and construction, but no substantial reduction in the unemployment rate is anticipated in view of the expected influx of school-leavers into the labor force.

[Walcott] The Central Bank governor also said that at the end of June, net international reserves stood at $283 million. [end recording]

Dominican Republic

Use of Territory To Invade Haiti Rejected

PA0208001894 Mexico City NOTIMEX in Spanish 2149 GMT 1 Aug 94

[Text] Santo Domingo, 1 Aug (NOTIMEX)—The Dominican Republic rejected in principle today the use of its territory to spearhead a military invasion of Haiti, and discarded the participation of Dominican soldiers in warlike actions in the neighboring country.

Dominican Government officials stated the United States has the legal mechanism to intervene in Haiti and, in addition, it dominates the seas. The Dominican border, the sources stated, is sensitive, however, and for this reason the United States must tie some lose ends before launching any kind of operation.

The UN Security Council authorized the use of force on 31 July to compel the military personnel who overthrew President Jean-Bertrand Aristide in September 1991 to leave power.

The Dominican Republic needs international assistance and increased military advice along the (380 km) border in order to prevent a stampede of Haitian refugees the Dominican Republic would try to keep out of its territory, believing they would represent a social problem.

This difficult situation has combined with the electoral crisis the Dominican Republic has been enduring for the past 12 weeks, following elections which the opposition has described as fraudulent, and only two weeks away from the day the presidential chair must be occupied by whomever the Central Electoral Board determines had won the elections.

International criticism of the irregular and contested elections has revived large and long-lasting controversies over U.S. interventionism.

The opposition has applauded the manner in which democracy is being defended internationally, but it cannot approve a foreign intervention, because the

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Dominican Republic was also the victim of an occupation in 1965 by U.S. forces, which returned power to conservative Dominicans upon leaving.

The arrival of a foreign soldier on Dominican territory is viewed as an offense to national sovereignty.

Dominican President Joaquin Balaguer has changed his position toward the embargo decreed by the United Nations and the OAS.

Before the general elections, the border had become a black market area where people trafficked merchandise, and fuel traffickers on either side of the Masacre River wracked up great business, according to charges by Washington, the OAS, and the United Nations.

Following the elections, and after having been criticized by the United States and the OAS, Balaguer closed the border, and, due to a total blockade against Haiti, permitted the presence of foreign technicians and advisers and requested observation equipment operated by U.S. soldiers.

Diplomats and observers in the Dominican Republic have affirmed these concessions would be the most important Balaguer would make under normal conditions, but his position could change due to the confrontation his polemical reelection has produced.

The position Santo Domingo adopts now on the Haitian crisis and a foreign intervention will be mirrored one way or another in future relations between Haiti and the Dominican Republic, local sources believe.

The state of alert in the Dominican Republic due to the crisis in Haiti and an armed intervention would affect not only the 15,000 soldiers stationed along the border but also the Dominican politicians in Santo Domingo.

Military Prevents Reporters From Crossing Into Haiti

PA0108214194 Madrid EFE in Spanish 1856 GMT 1 Aug 94

[Text] Santo Domingo, 1 Aug (EFE)—Government sources disclosed today, Monday, that the Dominican Armed Forces are preventing foreign as well as Dominican journalists from entering Haiti through the common border between the countries.

The Dominican defense minister stated that "we cannot allow foreign or national reporters to risk their lives by crossing the border, which is why we have restricted entry to Haiti, unless they carry orders from President Joaquin Balaguer or they are Haitian."

Dominican soldiers detained six foreign journalists this past Saturday in Dajabon Province, 295 km north of Santo Domingo, and in Jimani, 280 km south.

The journalists were detained "because they lacked the appropriate permits to cross into Haiti or to work near the border."

The American journalists were working for CNN, and one was working for Radio Beller and acting as a guide for the others. They were released a few hours after being detained.

Three other journalists detained in a community known as Tierra Nueva, Jimani, were also prevented from entering Haiti through this border city.

Central Electoral Board Declares Elections Valid

PA0108191994 Mexico City NOTIMEX in Spanish 1741 GMT 1 Aug 94

[Excerpt] Santo Domingo, 1 Aug (NOTIMEX)—The Central Electoral Board (JCE) has refused to annul the 16 May Dominican general elections, as was demanded by the social-democratic leaning opposition Dominican Revolutionary Party (PRD), it was reported here today.

Judge Pompillo Bonilla Cueva announced today that in its Saturday session the JCE ruled the May elections were valid, despite repeated charges of irregularities. Bonilla said the JCE decision on an earlier ruling by the National District Electoral Board, which annulled elections in Santo Domingo and other areas that represent some 38 percent of the voters in the country, is still pending.

In a preliminary vote count, President Joaquin Balaguer has a 30,000-vote (1 percent of all votes) lead over Social Democratic candidate Jose Francisco Pena Gomez, who has been maintaining his charges of fraud. Balaguer, who was backed by the ruling Social Christian Reformist Party (PRSC), is bidding for a seventh term of office (his third consecutive term), despite his age of 87, being almost completely blind, and problems in moving about because of his old age.

Pena Gomez announced today that OAS officials are arranging an meeting between him and President Balaguer to iron out differences regarding the results of the elections. The PRD candidate declined to give further details while speaking to reporters in Santiago de los Caballeros, the country's second-largest city located 150 km north of Santo Domingo.

Local observers reported that John Graham, OAS representative in the Dominican Republic, held separate meetings in the past few days with Balaguer, Pena Gomez, and the JCE judges. [passage omitted]

Haiti

Government Decree Declaring State of Siege

FL0108165294 Port-au-Prince Television Nationale d'Haiti in French 0642 GMT 1 Aug 94

[Government decree issued in Port-au-Prince on 31 July; read by Emmanuel Menard, Television Nationale d'Haiti general director—live or recorded]

[Text] Liberty, Equality, Fraternity!

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Decree of the Republic of Haiti, issued by provisional President Emile Jonassaint:

In view of Articles 1, 8.1, 138, 266, 278, and 278-1 of the Constitution;

In view of the 13 April 1980 law regarding the state of siege;

In view of the 3 June 1994 decree regarding a nationwide state of emergency;

In view of the UN Security Council adopting Resolution 940 on 31 July 1994, thereby authorizing foreign states to establish a multinational force under one command to militarily invade and occupy the Republic of Haiti;

In view of the fact that this new, iniquitous, and arbitrary Security Council decision violates the universally established rules of international law, particularly those of the UN Charter; threatens the rights of human beings and free and sovereign states; and exposes Haiti to serious and imminent peril;

In view of the fact that it is imperative and urgent to defend territorial integrity and the people and property that are seriously threatened;

The Council of Ministers has decided to order that:

Article 1. A state of siege be declared throughout the Republic of Haiti.

Article 2. The present decree be printed, published, and executed at the behest of the ministers of: interior and national defense; foreign affairs and worship; justice; and information, coordination, and culture.

National Palace, Port-au-Prince

31 July 1994, the 191st year of independence

[signed] Emile Jonassaint, provisional president
Carl-Michel Nicolas, minister of interior and national defense
Charles Antony David, minister of foreign affairs and worship
Louis B. Toussaint, minister of justice
Jacques Saint-Louis, minister of information, coordination, and culture
Rigaud Duplan, minister of finance and economy
Wilfrid Saint-Julien, minister of planning, external cooperation, and public works
Jacques Rousseau, minister of public works, transportation, and communications
Jean Boisrond, minister of public health and population
Jean-Robert Delsoin, minister of commerce and industry
Andre Joseph, minister of agriculture, natural resources, and rural development
Charles Poisset-Romain, minister of national education, youth, and sports
Maud Thimothee, minister of social affairs

Cedras, Military Meet Cabinet; Jonassaint Comments

PA0208025694 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 2 Aug 94

[From the "24 Hours Newscast"]

[Text] A state of emergency has been declared in Haiti today, one day after the United Nations approved a military invasion spearheaded by the United States. News of the act led to all types of rejections. We have a report from Haiti:

There was a three-hour ceremony, religious songs, and the church was completely full. This feast is for the harvest to ask for, ironically, richness and fertility for this land. Haitians were present, wearing their best Sunday dress.

Around noon, when Cedras departed, he agreed to speak briefly in Spanish to all foreign reporters, except U.S. reporters, to whom he stated in French, in arrogant defiance: I do not speak English. Regarding the future of his country, he made it obvious, stressing the word defend, something was on the verge of exploding:

[Begin recording] [Cedras] We will hold a meeting with the government this afternoon to learn of what measures we will take to defend our country.

[Unidentified reporter] Haiti is strong.

[Cedras] Of course. [end recording]

The United Nations sounded off its alert at 1600. The trail had been blazed for an armed intervention.

Meanwhile, at the Government Palace, the top military brass, led by Raoul Cedras and General Michel Francois, met with the cabinet of the de facto government chaired by Emile Jonassaint from 1700 to 2400, a seven hour-meeting, in order to adopt a position.

The international media were one block away, waiting for the decision that was announced at 0100. It was declared without any hesitation:

[Begin Jonassaint recording, in French fading into Spanish translation] Openly, war is declared. The United States and the international community have declared war on this poor nation. We are ready to fight. We will share the tragedy and muster all the force necessary to defend ourselves. Liberty or death is the slogan. The duty of Haitians is to overcome political passion to unite with courage. [end recording]

Thus, the possibility of negotiating is concluded. If the tone of these statements does not change in coming days, a possible invasion is imminent. Immediately after the declaration of war was announced live via radio and television by some media, the state of emergency was imposed. The first shots were heard during the night in the city as reprisals.

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Government Reinforces Measures Against Opposition

PA0208052994 Mexico City NOTIMEX in Spanish 0456 GMT 2 Aug 94

[Text] Port-au-Prince, 1 Aug (NOTIMEX)—The Haitian de facto government today reinforced measures against its opponents and the press by announcing legal actions to close media sources and to arrest individuals who promote a military intervention in the Caribbean country.

The judicial authorities must "take public action against the perpetrators, co-perpetrators, and accomplices of these crimes and felonies," the Justice Ministry announced regarding "public calls for sedition and rebellion."

The Justice Ministry issued a communique stating that the order issued to the courts is also aimed at those unidentified individuals who "even request an armed intervention."

The statement was issued after the de facto government decreed on the previous day a state of siege hours after the United Nations approved a multinational military intervention to restore institutional order in Haiti.

The Interior and Information Ministries released a joint communique to warn of the possibility of taking over [requisar] news media that broadcast "alarmist" information.

"The media must help maintain calm and serenity... It must abstain from broadcasting any alarmist and tendentious information and it must avoid becoming, in any way, a propaganda tool for foreign forces," the text states.

Political observers believe the measures are aimed at justifying the detention of any advisers and supporters of deposed President Jean-Bertrand Aristide who have not yet been arrested.

The statements by the de facto government came following criticism by the opposition, which blames the coupists for the political and social crisis in this country, which shares the island of Hispanolia with the Dominican Republic.

The military are "provoking an intervention so they can pass themselves off as heroes... Despite their nationalist statements, it seems this intervention is convenient for them. Perhaps they are being paid to do everything necessary to provoke it," the National Democratic Movement charged.

The opposition forces said that apparently the coupists find some justification for their actions in the face of the possible military intervention and have increased the nationalistic, threatening tone of their discourse.

"With the state of siege, everything is now justified. The press, which has been accused several times of being an 'accomplice of the enemy,' will probably be threatened more now," said one person in charge of one of the main media sources in Port-au-Prince.

Sectors close to the coupist leaders insisted that "we will confront the war that is being imposed on us.... They are asking us to negotiate, but one does not negotiate the honor of the fatherland," they add.

The national television, controlled by the de facto government, has increased nationalistic messages and those against intervention. Meanwhile, no changes have been observed in the atmosphere on the streets of the capital following the establishment of the state of siege.

MNP-28's Belizaire Urges National Resistance

FL0108225094 Port-au-Prince Signal FM Radio in French 1030 GMT 1 Aug 94

[Text] Dejean Belizaire calls for national resistance to block the invaders. The National Patriotic Movement of 28 November [MNP-28] calls for the establishment of a Patriotic Front for National Resistance [Front Patriotique pour la Resistance Nationale], FPRN. In a message to the nation, Belizaire condemns Resolution 940 of the UN Security Council, which authorizes the U.S. invasion of Haiti. Let us listen to the explanations of engineer Dejean Belizaire on the role of the front.

[Begin Belizaire recording in progress in Creole] ....in the face of any sacrifice, any action to defend the endangered homeland. MNP-28 is urgently calling on all staunch political parties, all patriots, all staunch democrats, and all organizations that share the position of the people, to immediately establish a huge movement, to be called FPRN, which should confront the traitors who have joined with kinds of foreigners to build a plan aimed at destroying the country. Today, the [word indistinct] of resistance has thundered. Haitians of all colors, Haitians of all conditions, you must prepare for battle, you must up take your hoes, your machetes, your knives, and your pens, and set us free. [end recording]

Radio Reports Details of UN Resolution

FL0108222894 Port-au-Prince Radio Metropole in French 1600 GMT 1 Aug 94

[Text] The text of the resolution that refers to Chapter Seven of the United Nations Charter is similar to the one used to authorize military force against Iraq and the one that gave the green light to the United Nations for intervention in Somalia two years later. However, the text does not specify the date for beginning an intervention nor for the possible return to power of Jean-Bertrand Aritide.

According to Madeleine Albright, U.S. ambassador to the United Nations, the resolution sets the necessary framework for opening all options to U.S. President Bill Clinton. She specifies that no decision has yet been made by Clinton on the matter, adding: We hope that the Haitian military authorities will voluntarily leave and

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that the multinational force will not find any opposition, but this resolution authorizes action regardless of what we want.

The resolution establishes a two-step process. The first step is to dispatch a multinational force, the dominant strength, command, and financing of which would be provided by the United States. In a report recently addressed to the Security Council, UN Secretary General Butrus Butrus-Ghali proposed a force of 15,000 men. According to diplomatic sources, other countries are to provide almost symbolic participation, including Argentina, which might dispatch a few hundred soldiers. Argentina's government, represented in the Security Council, has been the only Latin American country to actively support the U.S. project.

The second step of this resolution provides for the replacement of the dominant U.S. force by a UN operation in Haiti, MINUHA, which would include up to 6,000 men. MINUHA will be in charge of helping to maintain order and assist in the professionalization of the Haitian Armed Forces and the creation of a separate police force.

It should be noted that several countries of the region addressed the Security Council, expressing opposition to the military intervention, including Mexico, Cuba, Uruguay, Venezuela, and Brazil. Brazil, which has a seat on the Security Council, abstained during the vote. China echoed the position adopted by the regional group.

UN Envoy on Government Responsibility for Suffering

FL0108232494 Port-au-Prince Radio Metropole in French 1600 GMT 1 Aug 94

[Text] After the vote of Resolution 940 in the UN Security Council, Fritz Longchamps, the government-in-exile's ambassador to the United Nations, explained that this approval of the resolution is the responsibility of the international community and of the government in exile toward the situation in Haiti. Longchamps answered the questions of Joseph Guiller C. Delva:

[Begin recording] [Longchamps, in Creole] As Haitians, it is not with pleasure that we consider military invasion of Haiti. But at the same time, as a public servant, we have a responsibility to the Haitian people to put an end to their suffering and pain.

[Delva] Are you absolutely satisfied with the international community's answer to the Haitian military?

[Longchamps] We believe that if the international community had responded more responsibly earlier, we would not be where we are today.

[Delva] Do you think the international community will take the concrete action it wants the authorities in Port-au-Prince to believe it will take?

[Longchamps] My experience in managing the Haitian situation tells me to wait and see.

[Delva] As the Haitian Government's representative in the UN, how do you perceive the letter from President Aristide? Some people view this letter as an invitation for military intervention in the country. Others consider it totally normal, given the situation in Haiti, a situation that cannot stand.

[Longchamps] Listen! I am not a constitutionalist. I am not an expert in constitutional law. I therefore leave that to the experts. I repeat, however, that the Haitian Government of President Jean-Bertrand Aristide has a responsibility to put an end to the suffering and pain of the Haitian people.

[Delva] Thank you, Ambassador Longchamps. [end recording]

National Coalition Criticizes Clinton 'Caprices'

FL0108214294 Port-au-Prince Signal FM Radio in French 1030 GMT 1 Aug 94

[Excerpt] Another reaction is from the National Coalition of Carl Denis. The National Coalition says it has noted with bitterness that Haiti has been used by the UN Security Council to satisfy the caprices of Bill Clinton. The National Coalition, which believes that Haiti is being victimized by the worst possible conditions, does not believe the people will let the invaders off lightly. [passage omitted]

Political Groups Oppose Resolution on Intervention

PA0208022594 Madrid EFE in Spanish 0004 GMT 2 Aug 94

[Report by Herold Jean-Francois]

[Excerpt] Port-au-Prince, 1 Aug (EFE)—Today, Monday, politicians associated with the Haitian de facto government called on the people to protest and resist a possible military invasion by an international force led by Washington. Meanwhile, groups linked to the freely elected government of deposed President Jean-Bertrand Aristide blamed the Haitian military leadership, headed by General Raoul Cedras, for the possible invasion.

The majority of Haitian citizens interviewed on the street by journalists do not support the intervention but blame the military leadership for its refusal to negotiation.

The Senate, at least the bloc headed by Bernard Sansaricq, along with those legislators whose elections have been challenged, is preparing a resolution condemning the United Nations and supporting the state of emergency imposed by the Haitian de facto government. [passage omitted]

The National Coalition, an extreme right organization close to the military, said the country will not forget the

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names of the countries that supported the UN Security Council resolution authorizing a military intervention in Haiti.

"The Haitian people will fight the aggressors until the final victory," stated Coalition spokesman Carl Denis.

Daniel Narcisse, leader of a small right-wing group known as "Relation to the Democratic Forces," urged the population to unite and defend the country, the poorest in the hemisphere.

Narcisse called on all Haitians to organize protest marches in front of the embassies of the countries that supported the UN resolution.

According to Hubert de Ronceray, leader of the group close to the military known as "Mobilization for National Development," if the invasion happens it will only bring more disaster to the country and could have immeasurable consequences for Latin America and the Third World.

In de Ronceray's opinion, today it is Haiti's turn, but later it will be other nations'.

Senator Thomas Eddy Dupiton of the Alliance for Parliamentary Unity, the military's main support in the Senate, stated that the UN Security Council only approved the resolution to accommodate U.S. President Bill Clinton.

"Cedras is not worth an intervention," reaffirmed Senator Rony Mondestin from the Movement for National Reconstruction, which is headed by former First Minister Rene Theodore.

Mondestin said the military are interested in the invasion to camouflage the cases of embezzlement and illegal enrichment and urged the population to disregard the state of emergency decreed by the de facto government. [passage omitted]

Conacom Urges Military To Abandon 'Suicidal Position'

PA0108221994 Hamburg DPA in Spanish 2027 GMT 1 Aug 94

[Text] Port-au-Prince, 1 Aug (DPA)—The National Congress of Democratic Movements (Conacom), which groups fellow party followers of constitutional President Jean-Bertrand Aristide, urged the Haitian military government today to abandon its "suicidal position" and avoid an invasion.

In a message to the Haitian people following UN Security Council approval for the United States to intervene in Haiti, Conacom asked the de facto regime to respect the Governors Island Agreements to return Aristide to power.

The invasion "can be prevented if the military personnel who are involved voluntarily resign," said Victor Benoit, Conacom secretary general and former education minister under the Aristide government.

In Conacom's appeal to Haitian strongman Raoul Cedras, Benoit said it is necessary to do everything possible to save the country the material, human, and psychological costs of an invasion.

The military government, he said, still has time to abandon its "suicidal position" and avoid ruining all the institutions of the country.

Jamaica

Patterson Pledges Peacekeeping Troops for Rwanda

FL0108143494 Kingston RJR Network in English 1200 GMT 1 Aug 94

[Text] The Jamaican Government and the Red Cross society will be launching an appeal today to raise money to assist the central African state of Rwanda, where cholera and malnutrition are killing thousands of people daily.

Making the announcement at a Jamaica House reception on Saturday night, Prime Minister P.J. Patterson said the country will also be offering peacekeeping troops. He said the government has already identified several in the public service and the army that could [words indistinct]. Mr. Patterson said the government will be contributing $150,000 toward the appeal. Jamaica is also expected to make a pledge at a special UN pledging conference on Tuesday.

Prime Minister's Independence Day Address

FL0108194994 Kingston JBC Network in English 1400 GMT 1 Aug 94

[Address to the nation by Prime Minister P.J. Patterson from Kings House, in Kingston on 1 August—live or recorded]

[Text] Your excellencies [words indistinct] members of the cabinet, of the judiciary, of the [word indistinct], of parliament, [word indistinct] your worship [word indistinct], your excellencies members of the diplomatic corps, (?honorees) past and present, ladies and gentlemen:

This year, we celebrate the 32d anniversary of our independence as a nation. This year, we also commemorate the 50th anniversary of the constitutional development that marked the granting of universal adult suffrage. This hard-won right to vote made the condition on which our democracy has rested. It paved the way for political independence in 1962. And, so, even before we raised our flag of black, green, and gold, we were already accustomed to working with a democratic system based on one-person-one-vote. As we mark these two anniversaries and participate in civic and cultural activities, let us take time to give thanks for political rights and freedoms. Today, 1 August, we also celebrate a special

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event: the emancipation from slavery. This celebration is to say thank God we are so free, and we remind ourselves that my freedom is within myself.

Since we last celebrated independence, we have made progress in a number of areas. We have begun to implement in the public sector measures that are intended to instill a management culture, that there is high regard for public responsibility, customer satisfaction, timely implementation of projects, cost-effectiveness, and public fortitude. In the economic arena, we've enjoyed modest growth for the sixth consecutive year, but given the urgent need to improve our living standards, we seek [words indistinct] and attain higher levels of self-sustained [word indistict]. For the first time in 18 years, we will, this independence day, find our net international reserves in surplus. We have witnessed a welcome stability in our foreign exchange rates and are well on the way to making current extended fund facility, our last borrowing program with the IMF. To ensure that we achieve so worthy a goal, we have to increase productivity. We must all work together—the government, the private sector, and organized labor—to remove all remaining obstacles in order to diversify the economy, expand production, boost exports, and attract even more visitors to our shores.

It is now critical that we turn the spotlight on the social agenda and the assault against poverty, with maintained renewed emphasis on human resource development, vocational training, youth empowerment programs, and adequate resources that provide full equality for all women. As we celebrate independence day, we remind [words indistinct] of Jamaica the call to continued struggle of successive generations for access to land. A number of our national heroes have lived and died in that struggle. The search has now become desperate and [words indistinct] by land policy that is both realistic and (?broad). The current obligation is to increase employment, to raise income levels through better education and more training, to greater productivity and efficient utilization of human, natural, and financial resources by both public and private sectors.

In the months ahead, we must continue to work together to fight the [word indistinct] of crime and bring it under firm control. This fight must be won and must be won quickly and decisively. We must work to achieve the desired results from all our social and economic programs. As we approach these tasks, let us strive for greater wisdom and maturity.

On this 32d independence anniversary, let us give thanks for how far we have come. Let us pray to the Almighty to give us courage, for we still have far to go. Let all of us, wherever we are, at home or abroad, rededicate ourselves to building a society free from fear, free from poverty, free from hopelessness, and free from ignorance, determined to afford every Jamaican a full realization of all human potential. May God bless us all as together we face another year of challenges and exciting opportunities.

Governor General's Independence Day Address

FL0108212294 Kingston JBC Network in English 1330 GMT 1 Aug 94

[Address to the nation by Governor General Howard Cooke from Kings House, in Kingston on 1 August—live or recorded]

[Text] Right Honorable Prime Minister; ministers of government; members of Parliament; Senator Harding, representing the leader of the opposition; senators; honorable [word indistinct]; members of the judiciary; your worship, the mayor; members of the diplomatic corps; acting chief of staff; commissioner of police; brothers and sisters:

Thirty-two years ago, we hoisted our own flag for the first time as an independent nation. We are reminded that 160 years ago, on 1 August, slavery was abolished in the British Empire. On both occasions, our people shared a deep sense of a new beginning, with great challenges to overcome in the future. And we had a strong belief that with (?diligent) work, commitment, and love for country we would achieve those goals. There was no despair. I recall the words of one of our national heroes, the Right Excellent Marcus Messiah Garvey. I quote: I trust that you will so live today as to realize that you are masters of your own destiny, masters of your own fate. If there is anything you want in this world, it is for you to strike out [words indistinct] and take it, and sell it, and look for it, because God has created it for your happiness where so you may find it in nature, so to speak. When we think of some of the tragic events that have occurred in the world since 1962, we must (?give thanks) to God that we are still able to find some peace and harmony, political stability, good that is in our hearts and the confidence to achieve economic growth in this decade and beyond. Although in the past we had to rely totally on foreign expertise to find and develop our resources, we are happy to know that more and more of those sons and daughters are applying all the skills and using them to our advantage. Jamaicans who have developed specialized skills and are [word indistinct] there should now become enabling factors in our growth and development.

As we continue to experience a greater awareness of our own national identity, we will become more united in our effort to build a new Jamaica. I ask that on this independence day all persons, young and old, devote some time in offering a prayer for the nation. I must thank the archbishop and the bishop for that prayer this morning. It moved me. At festival time each year, we are treated to a wide range of cultural expressions covering the arts, dance, music, and culinary [word indistinct] that demonstrate our capability to be innovative and creative. I pay tribute to our teachers and students in all schools, as well as other institutions that assist in promoting our cultural development. Despite all the disabilities we experience in Jamaica, there is a positive note, a

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great need and anxiety to transform Jamaica into a society of love, peace, and prosperity. We have already witnessed the unity among our churches and denominational leaders to join in the prayer vigils over the past two years. May I be permitted to express my sincere appreciation for the joint efforts of the Jamaica Cultural Development Commission and the churches in their effort to encourage all persons across Jamaica to hold hands, demonstrating that we'll work together for peace and harmony.

My fellow Jamaicans; members of the diplomatic corps; friends; and visitors to these, our shores: We celebrate together the 32d anniversary of our independence. Let us continue to be of one accord in building (?our nation) for the good of the land we love.

May I invite Reverend (?Sister) Morgan, in a symbolic gesture, to (?receive) a plaque showing that we support the Caribbean [words indistinct] that holding hands across Jamaica so that we'll have peace and harmony.

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UN Ambassador Opposes UN Decision on Haiti

PA0108134494 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 1 Aug 94

[Telephone interview with Dr. Victor Flores Olea, ambassador to the United Nations, in New York; by News Director Dario Arizmendi at the Caracol studios in Santa Fe de Bogota; from "Caracol's 0600-0900" newscast—live]

[Text] [Arizmendi] It is a pleasure to welcome Dr. Victor Flores Olea, Mexican ambassador to the United Nations, at 0726. As you know, the UN Security Council voted 12-0, with the abstentions of Chile [as heard] and Brazil and the absence of Rwanda, in favor of an invasion of Haiti by a multinational force to expel the Haitian military from power. We ask you why are Mexico and other Latin American nations, such as Cuba, radically opposed to this decision made by the UN Security Council? Thank you, Dr. Flores, for being with the Caracol Network this morning.

[Flores] Thank you. We believe that all maneuvering and all steps to use military force in our hemisphere, in Latin America, have been extremely traumatic. We were opposed or expressed an opinion contrary to this decision because of some technical reasons having to do with the UN Charter, as well as it application. We truly believe an extremely unfavorable position exists on the entire continent when it comes to accepting these kinds of actions.

I also want to make it clear that all of us who participated in this debate unanimously agreed to condemn the coup d'etat and the three-year-old illegitimate government in Haiti. There was no argument about that, but we believe we should still search for political solutions and give negotiations a chance. We believe other solutions need to be sought before military force is used. We hope it is still possible for the coup leaders, who have taken power in Haiti, to understand that they must soon leave power—power they have usurped.

[Arizmendi] Considering how things are now, when do you believe armed intervention will occur in Haiti?

[Flores] We have no idea about that, but we believe it could happen within the next few weeks.

[Arizmendi] Did the United States pressure the various members of the UN Security Council into signing the resolution?

[Flores] Pardon me.

[Arizmendi] Did the United States overtly pressure the rest of the UN Security Council members into signing the resolution that it wanted?

[Flores] I would not say that, because I cannot be certain of it. I believe it was not apparent. The arguments were simply very strong following the sanctions imposed on Haiti over the past few months and the Haitian generals' great disregard for the decisions of the international community.

Salinas Assesses 21 Aug Election, EZLN

PA0208000394 Madrid EFE in Spanish 1212 GMT 31 Jul 94

[Text] Madrid, 31 Jul (EFE)—Mexico "is about to hold an unprecedented democratic election" that will conclude with a transfer of power "to the winner regardless of the party to which he belongs," President Carlos Salinas de Gortari has stated in an interview published today in the Spanish newspaper EL PAIS.

Assessing the first half of this year, Salinas has stated "we have experienced things we had not for the past 60 years," such as the guerrilla uprising in Chiapas or "the most tragic of them all: the assassination of Luis Donaldo Colosio," and these developments "have led us to practice a new and different form of political leadership."

"Due to these traumatic events," we had two options: "to close the system and erect a protective wall around it or to take an additional step in favor of democracy."

We chose the second "in response to Mexicans' expectations," and this choice has been reflected, among other things, in the organization of the 21 August elections, which will enjoy the strongest democratic guarantees.

Among other aspects of the electoral organization, Salinas has spotlighted the "brand new" opening of the media, especially of television, to campaign coverage; the "unpartisan" position of the electoral authority, and the new electoral list, which is "recognized by eight of the nine parties participating in the elections."

The Mexican president has stated his country "is responding well" to polls indicating the elections will be highly contested: "Not knowing the outcome in advance, due to the innovations, worries him, but he agrees deep down with demands for greater democracy."

Asked whether he fears the streets of Mexico will be flooded by demonstrators should the ruling Institutional Revolutionary Party (PRI) win the elections, Salinas replied "that occurrence could happen if we were not preparing an impartial and honest election."

"I will transfer the Presidency on 1 December to whomever wins the 21 August elections and is confirmed by the Chamber of Deputies [calificado por la Camara], regardless of the party to which he belongs," Salinas stated.

As for the armed rebellion (Zapatist National Liberation Army, EZLN) in the state of Chiapas, the Mexican president has stated "I had no information confirming the existence of a guerrilla group as the one which made its appearance on 1 January."

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"Our state information system had suffered a major breakdown, but we are now correcting that point," Salinas explained.

As for the reasons behind the uprising, he added "the first guerrilla movement took place in Chiapas after the Cold War, and thus we cannot frame this development within the East-West confrontation."

"We must also consider this movement occurred two years after the 500th anniversary, which created tension not only among Indian groups but among the Europeans," the president added.

Salinas has stated "Indians, who have a valid demand for more justice, are, undoubtedly, participating in this movement. In Ocosingo Municipality, for example, there are communities in which residents take 14 hours to reach the municipal capital, and this situation is unacceptable."

"Having stated this point, however, I must add these people are, undoubtedly, part of an eminently political movement," as reflected in its "ideas, design, rejection of social solutions to its demands, and the origin of its main leader, Marcos. Certain points about this group transcend the area in which it is located," Salinas added.

Asked about the investigation into the assassination of Colosio (PRI presidential candidate), the Mexican president stated this case is now in the hands of Deputy Attorney General Olga Islas, "who is highly respected for her professionalism."

Salinas added: "I would like to add all Mexicans, including myself, want to know whether one person or several individuals influenced Mario Aburto into committing this horrible crime."

Roundup of Electoral Developments

PA2807193894

[Editorial Report] The following is a compilation of reports on developments related to the Mexican elections scheduled for 21 August.

Diego Fernandez de Cevallos, PAN (National Action Party) presidential candidate, on 22 July praised President Carlos Salinas de Gortari for the latter's remarks to a U.S. newspaper to the effect that an opposition victory on 21 August would be a victory for Mexico. Fernandez said: "The president has spoken a great truth: a victory by the opposition would not only be a victory for them but for Mexico. I congratulate the president; I believe his honesty and bravery should be acknowledged." (Mexico City Radio ACIR Network in Spanish 0000 GMT 22 Jul 94)

Before traveling to Oaxaca on 21 July, Porfirio Munoz Ledo, president of the Democratic Revolutionary Party (PRD), was interviewed at Mexico City International Airport. He said his party opposes violence before and after the electoral process. Munoz harshly criticized PAN presidential candidate Diego Fernandez de Cevallos, whom he characterized as uncultured and unthinking. Munoz said: "Diego is quick with words but slow to think; he is sharp but inconsistent." Munoz Ledo added that the civility pact is a whim that contains nothing new on the agreement signed on 27 January. Regarding the electoral register, Munoz said his party disagrees with the manner in which it was approved because it contains bigger mistakes than are noted in the auditors report. (Mexico City Radio ACIR Network in Spanish 0000 GMT 22 Jul 94)

PRD presidential candidate Cuauhtemoc Cardenas says the agreements signed on 20 July by the Federal Electoral Institute (IFE) are insufficient. Cardenas was interviewed during a campaign tour of several Puebla municipalities. He said that acceptance of the electoral register validates an electoral document that contains irregularities that will affect 5 or 6 million voters nationwide and added that henceforth the IFE will be responsible for preventing millions from voting. Cardenas warned that the PRD will denounce every irregularity detected during and after the elections to annul questionable elections, because the PRD is not willing to lose the elections through fraud. (Mexico City Radio ACIR Network in Spanish 0000 GMT 22 Jul 94)

The Association of Federal District Notaries Public has created a commission that will organize notarization services during the 21 August elections and attest to election-related events. Association President Eduardo Martinez Urquidi said the 240 participating notaries public will not make value judgments after the elections; they will only attest to the events that took place. (Mexico City Radio ACIR Network in Spanish 0000 GMT 22 Jul 94)

Alvaro Perez Trevino, presidential candidate of the Authentic Party of the Mexican Revolution (PARM), speaking during a tour of Aguascalientes, denounced that the PAN and PRD are resorting to the age-old practice of hauling people to their political rallies. Perez said: "Almost all of those people are hauled there. They go because they are paid, fed, tipped and given gifts." (Mexico City XEW Television Network in Spanish 0430 GMT 22 Jul 94)

During a visit to Tamaulipas on 23 July, Jorge Gonzalez Torres, presidential candidate of the Mexican Green Ecologist Party, suggested the federal elections scheduled for 21 August be suspended because they will be "dishonest." "I hope they will suspend the elections," he said, "and schedule new ones that will be equitable with solid parties, because an electoral show is taking shape and results will be very confusing." Gonzalez accused the Confederation of Mexican Workers and the National Peasant Confederation of threatening their members into voting for the PRI (Institutional Revolutionary Party). (Madrid EFE in Spanish 1821 GMT 23 Jul 94)

PAN candidate Diego Fernandez de Cevallos says that if the PRI wins the elections he will not accept any public

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post unless it is the Presidency of the republic. At a rally in Mexico State, Fernandez also discussed poverty, which he attributed to lack of awareness by people in power. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 25 Jul 94)

PRI candidate Ernesto Zedillo has pledged to implement an emergency health program for the needy. He also says that health services and social security will not be privatized. Zedillo said that Mexico's health system is essential to the country's democratic consolidation. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 25 Jul 94)

IFE has disclosed that thus far only 3,831 observers have been accredited throughout the country. At the session the IFE General Council will hold on 29 July, citizen representatives will request that the registration deadline, which is 31 July, be extended "to at least 5 August." Mexican consulates in several U.S. cities also report that the registers of foreign visitors is relatively small. Eduardo Ibarrola, general director of consular affairs at the Secretariat of Foreign Relations, has announced that foreign visitors will not be allowed to remain in the country more than 10 days after the elections to fulfill their electoral observation duties. Special correspondents covering the elections will be issued Form FM 16 for "distinguished visitors." (Mexico City LA JORNADA in Spanish 27 Jul 94 pp 1, 21)

While campaigning in Tlaxcala on 26 July, PRI candidate Zedillo criticized the PRD for trying to profit from the accident suffered by Amado Avendano, its gubernatorial candidate in Chiapas. "I believe it was a very regrettable accident. I am very sorry. I hope Mr. Avendano recovers soon, that the accident will be investigated, and that responsibilities will be established," Zedillo said, "but the political opportunism of certain members of his party who have inappropriately attempted to profit from this very unfortunate accident is also regrettable." PRD candidate Cardenas countered that "the only person who has capitalized on this tragedy is Ernesto Zedillo." Cardenas added: "The person who has capitalized on a tragedy, the death of Luis Donaldo Colosio, has a name and surname. He is Ernesto Zedillo Ponce de Leon." (Monterrey EL NORTE (Foreign Edition) in Spanish 27 Jul 94 p 12-A)

Government Secretary Jorge Carpizo McGregor met with electoral observers, whom he asked to perform in a professional, impartial and truthful manner on 21 August. He added that observers should record irregularities as well as positive things. But above all, he said, the truth must prevail. Carpizo said: "Mexico needs professional and impartial observers. Mexico needs the nation's interests to be placed ahead of private interests. Mexico needs, most of all, for observers to perform with, by, and for the truth." (Mexico City Radio ACIR Network in Spanish 0000 GMT 28 Jul 94)

PAN candidate Diego Fernandez said during a news conference in Tepic, Nayarit, that Mexico needs a pluralist government for the next six years. "Regardless of percentages, if I am president the government will be pluralist. I cannot imagine a government headed by Diego Fernandez de Cevallos with only PAN members. Mexico needs harmony, unity and plurality." Fernandez said that if he does not win the elections, he would not accept a cabinet position, but he hinted that he would cooperate with the new government free of charge. (Mexico City Radio ACIR Network in Spanish 0000 GMT 28 Jul 94)

PRI candidate Zedillo has called for honest elections that will guarantee the legitimacy of the next government. He had a private breakfast with heads of small- and medium-sized businesses today. He said that he will respect and enforce the law on 21 August, regardless of who wins. Zedillo said: "The members of the PRI want this electoral process to be characterized by the strict application of the law to everyone, regardless of their party. Thus, today more than ever, we want an election without shadows or stains, an election of which all Mexicans can be proud. I am sure we will have such an election." (Mexico City Radio ACIR Network in Spanish 0000 GMT 28 Jul 94)

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Costa Rica

Figueres Qualifies Support for Haitian Invasion

PA0108202594 Panama City ACAN in Spanish 1931 GMT 1 Aug 94

[Text] San Jose, 1 Aug (ACAN-EFE)—Costa Rican President Jose Maria Figueres today said his country would support an invasion of Haiti to restore democracy, as proposed yesterday by the UN Security Council, if no other solution can be reached through negotiations.

The Social Democratic leader recalled that "the whole world" has given "a number of chances" to the military men ruling Haiti since September 1991 to restore democracy in this country, but they have not heeded any requests.

"We must continue to exhaust the possibility of negotiations, but I think this measure (an invasion), which was approved as a last resort, could prompt the military men to reach an understanding," he added. Figueres said that "hopefully" there will be no need to invade, but he added that he will support such a measure, if "there is no other choice."

The leader reaffirmed his refusal to welcome Haitian refugees, but he voiced his country's willingness to offer technical support in the areas of health and agriculture to nations that are willing to welcome them.

El Salvador

Foreign Minister Views Joint Commission Report

PA0208041294 San Salvador Canal Doce Television in Spanish 1830 GMT 1 Aug 94

[From the "Up-to-Date" newscast]

[Text] Foreign Minister Oscar Santamaria said today the Joint Commission report is a soap opera-style story that contributes nothing to the death squad investigation.

According to Santamaria, the Joint Commission did not comply with the mandate to organize, lead, and supervise a technical-scientific investigative team to clarify the activities of illegal, armed groups that operate with political designs:

[Begin Santamaria recording] I have read about all of this issue and see nothing new, except the inclusion of someone's point of view, perhaps from the Truth Commission, but with its own characterizations.

The report fails to tell us anything in connection with this work, as we had expected. At the very end, when it states there are certain conclusions in reference to the mandate itself or with what the Joint Commission was tasked, whether illegal, armed groups exist, a few pages are dedicated concluding there is not a sufficient basis to allow them to determine whether there are illegal, armed groups; instead, they make certain assumptions that seem to me to be more speculatory in nature. This point is why I believe this report does not have sufficient content to be able to determine whether there is any responsibility in certain specific cases. [end recording]

Santamaria has said members of the Joint Commission wasted their time by presenting a report that repeated many topics that had already been addressed in the Truth Commission report published in March 1993.

Guatemala

De Leon Asks UN To Give Haiti 'A Chance'

PA0208013694 Mexico City NOTIMEX in Spanish 2358 GMT 1 Aug 94

[Text] Guatemala City, 1 Aug (NOTIMEX)—Guatemalan President Ramiro De Leon Carpio today asked the UN Security Council to give Haiti a "chance" to restore order without an armed intervention.

De Leon said Guatemala has accepted Security Council Resolution 940, which was issued yesterday and authorizes the use of force to remove the coupist Haitians and allow democracy to be restored on the island.

The Guatemalan president emphasized, however, that a new mechanism should be sought for the Caribbean nation, which has been in a political crisis ever since the military toppled constitutional President Jean-Bertrand Aristide on 30 September 1991.

The president advocates the principle of nonintervention and the peaceful resolution of conflicts.

De Leon Carpio said that within the next few hours Central America will present a joint position on Haiti, but he said he will insist that his colleagues in the region change their strategy in seeking a solution to the Haitian conflict.

Vice President Backs Haiti Decision

PA0108181894 Hamburg DPA in Spanish 1717 GMT 1 Aug 94

[Text] Guatemala City, 1 Aug (DPA)—Guatemalan Vice President Arturo Herbruger Asturias today said the UN Security Council decision to authorize military intervention in Haiti "is the only alternative to stop the crimes against humanity being perpetrated by the de facto Haitian Government."

Herbruger, who on various occasions has issued views that differ from those of President Ramiro De Leon Carpio, added that the UN decision is designed to defend human rights on the island. Herbruger also said he is aware that some countries will oppose military intervention, "but this is the only alternative left to restore order."

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Herbruger went on to state, however, that Guatemala will not participate in a multinational force created by the United Nations, because its Army "is not prepared" to do so.

Meanwhile, the Guatemalan newspaper PRENSA LIBRE predicted in today's editorial that "General Raoul Cedras' hours are numbered." The newspaper reviewed the situation, saying the overthrow of President Jean-Bertrand Aristide "was a challenge to the international community and an offense against the Haitian people."

It also stated that OAS diplomacy and UN pressure have failed, leaving military intervention as the only alternative. The editorial stressed that within the UN Security Council, not one single vote was cast against the resolution, because "no member-state of the council could defend the coupist military officers."

Finally, the newspaper concluded: "Armed invasions represent a bad precedent, but after this fiasco, what alternative is there?"

Spain Offers To Host Peace Talks

LD3007105994 Madrid RNE International in Spanish 1000 GMT 30 Jul 94

[Text] Foreign Minister Javier Solana has reiterated to his Guatemalan counterpart, Marithza Ruiz de Vielman, Spain's readiness to host the next round of peace talks between the government and the guerrillas of that Central American country.

Ruiz de Vielman, who arrived in Madrid last night to take part in a meeting with Guatemala's ambassadors in Europe, Israel, and Egypt, met Jose Luise Dicenta, the Spanish secretary of state for international cooperation and Ibero-America, and subsequently had talks with Spanish Foreign Minister Solana. On leaving the meeting, the Guatemalan foreign minister expressed her conviction that the dialogue started to end a civil war going back over 30 years can conclude successfully within the time frame set by the two sides. We will be signing a firm, lasting peace in December, the Guatemalan foreign minister said.

Honduras

Foreign Minister Views UN Decision on Haiti

PA0108151994 Tegucigalpa Voz de Honduras Network in Spanish 1045 GMT 1 Aug 94

[Telephone interview with Foreign Minister Ernesto Paz Aguilar by unidentified station reporter; place not given—live]

[Text] [Reporter] We are now in contact with Foreign Minister Ernesto Paz Aguilar, following the UN authorization of a U.S. invasion of Haiti. This is the first reaction by the Honduran foreign minister. Good morning, sir. What can you tell the Honduran people through Voz de Honduras?

[Paz] Good morning to the Honduran people and radio listeners. Yesterday, 31 July, the UN Security Council authorized the use of any means to intervene in Haiti for the purpose of restoring to power Haiti's constitutional president, who was overthrown by a military coup in September 1991. Possibly within the week, the UN secretary general will invite UN members to contribute to this operation, which does not have a deadline for the expulsion of the military junta that has taken over power in that country.

[Reporter] A few days ago, you announced the possible dispatch of Honduran military forces there. Is the decision still in effect?

[Paz] Honduras, as a responsible member of the United Nations, is considering this possibility. It must be discussed within the executive branch, and later it must be discussed at the National Congress before it is authorized.

[Reporter] As for the U.S. decision to invade Haiti, a few minutes ago Jacobo Goldstein informed us from Washington that the reaction of Haiti's military was being awaited. What do you know about this?

[Paz] What is happening is that there are intense negotiations between the Haitian military and UN authorities. You must remember that the mandate the United Nations gave its mission in Haiti expired on Sunday, and it was necessary to make a radical and definitive decision.

[Reporter] As for the arrival of the Haitian refugees, there is talk that the area of Trujillo might be used to receive them. Can you confirm this?

[Paz] What we have said is that Honduras is capable of receiving 5,000 Haitians for a period of six months in an established area of our nation's territory—the Swan Islands.

[Reporter] Have you discussed this with President Carlos Roberto Reina?

[Paz] We are in constant contact.

[Reporter] What can you tell the people about Honduras' participation in the UN Security Council?

[Paz] We are ready to take on any responsibility given us by the international community. We are holding discussions, and we are in direct contact with New York, which is the site of these negotiations.

[Reporter] A few days ago, President Reina said he did not agree with military intervention—in other words, an invasion of Haiti. Have you talked to him about this?

[Paz] Honduras' position remains unchanged. We have pointed out that a unilateral military invasion by one of

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the powers within the United Nations can do little to resolve the problem. Any action of this type, including military action, must be carried out within the framework of the United Nations.

[Reporter] The resolution was approved on a 12-0 vote, with Brazil and the PRC abstaining. What can you tell us about the abstentions?

[Paz] We understand the position of the PRC, because it has always remained distanced from what we may call the hegemonic powers of the UN Security Council. As for the case of Brazil, it is necessary to make an in-depth analysis. We have not had any contact with the Brazilians, but we are going to contact them some time today.

[Reporter] We thank you for accepting this invitation from Voz de Honduras. It is a pleasure to talk to you. Would you like to add anything else for our listeners?

[Paz] I only want to thank you, and we will be ready to inform your listeners about any special situation that may develop within the next few days.

U.S. Said To Exchange Security Council Seat for Accepting Refugees

PA0108183394 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 1 Aug 94 p 2

[Unattributed report: "The Negotiations"]

[Text] Diplomatic and congressional sources have told EL PERIODICO DE HONDURAS that the U.S. Government gave President Carlos Roberto Reina three options in exchange for accepting Haitian refugees on the Swan Islands. The first offer was for economic aid to help resolve the foreign debt problem; the second, immediate assistance in resolving the energy crisis; and the third, a seat within the UN Security Council. President Reina reportedly accepted the third offer. Honduras and its foreign minister will now be able to sit down with the leaders of our world.

Reina: Congress To Decide Swan Islands Issue

PA0208043394 Tegucigalpa EL PERIODICO DE HONDURAS 30 Jul 94 p 38

[Text] President Carlos Roberto Reina yesterday disagreed with Armed Forces chief General Luis Alonso Discua and reiterated that the Swan Islands are being considered as a place to house approximately 5,000 Haitians refugees.

Discua said the Haitian refugees cannot settle on Swan Islands because the area is part of Honduras' environmental heritage.

"In fact, one could demand that improvements be made in this national park, which has been abandoned, because Honduras has not taken advantage of Swan Islands," the president emphasized.

Nevertheless, he explained that a decision had not been made.

"We will discuss all of this, and in any case, it must go to Congress," he replied, indicating that he did not think there would be any problem approving the proposal.

We Will Not Return to Obligatory Military Service

Meanwhile, Reina stressed that he is not considering returning to obligatory military service, also disagreeing with Discua's request. For Discua, a draft is necessary because there has been no response to the Voluntary Military and Education Service.

The president very calmly announced that in time he will call on Hondurans to join the ranks, but he will analyze how to do it.

"I am going to discuss this with my advisers," he noted.

The president, who according to the Constitution is commander in chief of the Armed Forces, participated in the third anniversary of the Defense School, where in the past he taught law classes.

Discua Differs With Reina Over Haitian Refugees

PA0208040994 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 30 Jul 94 p 38

[Text] General Luis Alonso Discua, Armed Forces commander, said yesterday that using Swan Islands as a place of refuge for the Haitians contradicts the presidential decree protecting the island as an ecological park.

The military chief thus differed with the foreign minister and the president of the Republic himself, both of whom had reiterated that the aforementioned islands are the most appropriate place to receive the Caribbean refugees because they are the farthest away from the country.

"Swan Islands were decreed a National Marine Park in 1991. Farming, cattle ranching, and any activity outside the ecological context of the area is prohibited.

He did not, however, suggest any other area, noting: "I am not suggesting anything. I do not decide Honduras' foreign policy."

He said emphatically that "the president must make the decision."

He also confirmed that an Armed Forces commission is investigating charges against the Honduran Armed Forces, aside from the Attorney General's Office investigation.

Discua commented: "The attorney general can investigate anything he likes."

Discua insisted, as he has in the past weeks, that the Voluntary Military and Education Service is not practical because Hondurans will not respond to the call.

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"The defense minister can make the National Congress reconsider reforming that decree," he said.

In his opinion, the Army can recruit in one day the 10,000 men necessary to protect the community.

The military commander asked the Honduran president to make the call for people to sign up. He also justified the fact that soldiers are not deployed on the streets to patrol with the police, saying that there are not enough of them.

Reina: Castro's Replacement Should Come From Cuba

PA0108140894 Panama City ACAN in Spanish 0227 GMT 29 Jul 94

[Text] Tegucigalpa, 28 Jul (ACAN-EFE)—Honduran President Carlos Roberto Reina said today that the leader who replaces Fidel Castro as president of Cuba should come from within Cuba and not from the United States. Reina commented on the political situation in Cuba at the National Autonomous University of Honduras, where he gave a lecture on human rights. He has been a professor at the Law School there for more than 20 years.

After his lecture, a student asked the president about Tegucigalpa's relations with Havana. He replied that the island's domestic political situation "is not a problem of Honduras or for Honduras, but a problem of the inter-American system."

Reina added that seeking a forced solution to Cuba's problems would create a very serious situation, because it "would drive people to find extraordinary means to defend their safety and sovereignty."

The president said he thinks the situation in Cuba "will be resolved soon because no regime can last very long, [no closing quotation marks as received] and he added, "The Cuban Revolution already did what it had to do, and what it has not yet done can hardly be accomplished in the current situation."

Reina pointed out: "Should attempts to bring a leader from Miami to Cuba continue, tension will mount. A leader should emerge in the Republic of Cuba to replace current President Fidel Castro under democratic rules."

In his opinion, all Latin American countries must comply with such democratic rules, which he listed as being free elections that are internationally observed and guaranteed, separation of state branches, and respect for human rights.

"If this is not done, there is no democratic state," the Honduran leader added.

Reina thinks that efforts must be made to convince Cuba to rejoin the inter-American system, and he added that the island's political problem will be settled when Colombian President Cesar Gaviria takes over the post of OAS secretary general.

The president said that no country has pressured him into receiving some 5,000 Haitian refugees, because his country is doing this as a "humanitarian gesture."

Reina added that he is not seeking anything in exchange for this, although Foreign Minister Ernesto Paz Aguilar said this week that Honduras expects to reach an agreement with the United States on the bilateral debt of the Central American nation with the Washington.

Nicaragua

Chamorro Discusses Freedom of Expression

PA0108173294 Managua Radio Nicaragua Network in Spanish 1200 GMT 29 Jul 94

[From the "This Morning" newscast]

[Text] It fills me with pride to say that censorship and oppression have ended in Nicaragua, President Violeta Chamorro said last night after signing the Chapultepec Declaration, a historic document on freedom of expression. President Chamorro, in the presence of visitors of the Inter-American Press Association, voiced her satisfaction with journalism in our country. The Nicaraguan president also announced a $30 million loan granted by the Inter- American Development Bank:

[Begin Chamorro recording] In my inaugural speech on 25 April 1990, when I assumed the presidency, I said before Nicaragua and the world that freedom of expression is sacred. I struggled to carry on the work of my husband Pedro Joaquin to allow our country to open a new chapter in its history, one that would allow Nicaraguans to enjoy freedom of expression on a day like this one, and to do this every single day, and to enjoy this country, which is a bastion of liberties in America.

Over the past four years, the exercise of a democratic government has created a clear overall awareness for the defense of public liberties, even among those who despised them for more than 50 years by applauding prison terms, exiles, censorship, closures, bombings, and the destruction of media facilities.

As my husband Pedro Joaquin said: Free news media are not sufficient to establish a just and free society. Political will and common efforts are also needed to implement specific actions within the nation's life. This is why genuine liberty must be strengthened by eliminating violence from our daily lives and by uniting efforts to achieve national reconciliation and civic agreements to promote peace among brothers. [end recording]

Charge Explodes Near Stadium; No Injuries

PA0108173194 Mexico City NOTIMEX in Spanish 1811 GMT 30 Jul 94

[Text] Managua, 30 Jul (NOTIMEX)—A medium-intensity explosive device was detonated today near the

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National Stadium in this city, which is scheduled to host the 32d World Amateur Baseball Championship. Fortunately, the explosion did not cause major damage.

This was reported today by Carlos Garcia, director of the Nicaraguan Sports Institute, who said the device exploded shortly before midnight Friday but missed its target. The official added that the attack slightly damaged a utility pole on which the stadium's transformers are mounted, but the explosion did not interrupt the supply of electricity to the stadium.

Media sources reported that individuals riding in a pickup truck threw the device with the apparent goal of destroying the stadium's transformers. The explosion woke residents in the area who gathered around the stadium. No one has yet claimed responsibility for the attack.

This explosion occurred days before the 3 August start of a world baseball competition involving teams from 16 countries. A police report stated the bomb contained a dynamite charge that would have knocked out power to the stadium had it hit its target. There are no reports of any arrests.

Garcia, meanwhile, downplayed the attack, saying this was a bomb that threatened no one.

Panama

Mulino, Perez Balladeres View Haiti Invasion

PA0108194694 Mexico City NOTIMEX in Spanish 1837 GMT 1 Aug 94

[Text] Panama City, 1 Aug (NOTIMEX)—Panamanian Foreign Minister Jose Raul Mulino today said the approval of military intervention in Haiti is a measure the UN Security Council had to adopt, but he added that the Panamanian Government opposes this measure. Panama will refrain from participating in an invasion of Haiti because of the repercussions it would have, Mulino said.

He noted that Panama was the scene of a U.S. military invasion to overthrow and arrest former strongman General Manuel Antonio Noriega in 1989.

Mulino told a local radio station that the Panamanian Government could announce today its official position regarding the UN decision to oust the military officers who overthrew constitutional President Jean-Bertrand Aristide in 1991. Mulino said he believes Haiti's de facto government headed by Gen. Raoul Cedras still has time to reconsider and avert an invasion. He said the coup leader will be held responsible for what may happen if an invasion is carried out.

Meanwhile, Panamanian President-elect Ernesto Perez Balladares today said a multilateral military action in the Caribbean nation should be avoided, and he added that the departure of the Haitian coup leaders should take place by way of an agreement reached at an international level.

The invasion of Haiti must be avoided because of the social repercussions it will have, according to Perez Balladares, who has been holding meetings since last week in the western province of Chiriqui with more than 100 officials of his future government. Perez Balladares is reviewing with his future associates the topic of Haiti as part of their "Meeting To Discuss Policies for Substantial Social Development."

The UN Security Council approved by a 12-0 vote, with abstentions from Brazil and the PRC, the use of "all necessary means" to restore a democratic government in Haiti.

Perez Balladares: Act 'Extreme Measure'

PA0208005994 Panama City Circuito RPC Television in Spanish 0000 GMT 2 Aug 94

[From the "RPC Television News" newscast]

[Text] In Bambito, Chiriqui Province, President-elect Ernesto Perez Balladares has expressed his views concerning an invasion of Haiti:

[Begin Perez Balladares recording] I hope that act will be an extreme measure. We, who have suffered an invasion, know the high social cost it entails. I believe there is still time for the Haitian leaders to prevent the suffering that would be caused by a multinational action against Haiti, an action not against Haiti but against the military regime. I hope they will reason with the international community as represented by the United Nations so that democracy can be restored in Haiti and so that the deposed president who was freely elected, (?the former professor), Mr. Jean-Bertrand Aristide, can be reinstated. [end recording]

Mulino: Intervention Justified

PA0208012794 Madrid EFE in Spanish 2303 GMT 1 Aug 94

[Text] Panama City, 1 Aug (EFE)—Today the Panamanian Government justified the UN decision to approve a military intervention in the Republic of Haiti because all feasible political options to restore constitutional order in that country have been exhausted.

Foreign Minister Jose Raul Mulino made the above statement to the media following a meeting with President Guillermo Endara to evaluate Panama's "genuine and realistic" position in light of the UN resolution.

Mulino pointed out that "the considerable human rights violations in Haiti justify the decision made by the international community represented at the United Nations."

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"The Panamanian Government believes that the political options available to the Republic of Haiti and General Raoul Cedras' de facto government for reaching an intelligent solution to restore constitutional order to that nation have been exhausted," Mulino added.

"It is preposterous, he added, for a government to mock the international community and disregard the decision-making role of the UN Security Council as Gen. Raoul Cedras has done. [quotation mark as received]

The Panamanian foreign minister said Panama's position on this issue is based "primarily" on the country's experience with the U.S. 1989 invasion that toppled former General Manuel Antonio Noriega, currently serving a 40-year sentence for drug trafficking.

With respect to whether Panama would be willing to participate in a multilateral invasion of Haiti, Mulino said the country will not take part because of the repercussions such an operation will have.

He added the United Nations' only request has been for cooperation once the "legitimate" regime of deposed President Jean-Bertrand Aristide has been restored.

New Government To Work To Improve Economy

PA2907195794 Panama City Circuito RPC Television in Spanish 2300 GMT 28 Jul 94

[From the "RPC Television News" newscast]

[Text] Minister-designate Guillermo Chapman has stated that, with Panama's entry into the U.S. market, the government of President Ernesto Perez Balladares will implement a strategy to improve the country's economy.

Chapman was the guest of honor at a ceremony held by the National Committee of INCAE [Central American Institute of Business Administration], a multinational institute engaged in training activities at the managerial level, for its 1994 graduates.

At this same event, INCAE Dean Danilo Lacayo gave a diploma to Aquilino De la Guardia, Jr., INCAE's outgoing president, in recognition of his work as head of the organization. Deputy Education Minister Bolivar Armuelles, INCAE leaders, and special guests attended the event. The activity gave INCAE graduates an opportunity to exchange views about their professional careers.

At the end of the ceremony, Chapman made statements to RPC Television, noting that the future government wants to improve the country's economy by entering the U.S. market.

[Begin Chapman recording] To do this, we must take several measures to put our economic house in order. These measures include becoming GATT members—a process that is now under way—and approving laws on copyrights, environmental protection, basic labor rights, and foreign investments. These are a series of measures that, along with helping us gain access to the U.S. market, will give us a seal of quality, making the country a very attractive place for foreign investors. Foreign investment means additional resources for the country, jobs, technology, increased productivity, more exports, and new markets—in other words, a series of things we do not have right now. This is a very important tool for development. [end recording]

Ambassador-Designate on Canal, Foreign Policy

PA0108131894 Panama City LA ESTRELLA DE PANAMA in Spanish 31 Jul 94 pp D7, A12

[Speech by Jorge E. Illueca, former president and ambassador-designate to the United Nations under the Perez Balladares administration, at the ceremony to commemorate the 13th anniversary of the death of General Omar Torrijos, at the Omar Torrijos Foundation in Panama City—date not given]

[Excerpts] [passage omitted] President Perez Balladares said in Washington that centers for exports to the NAFTA countries could be established on the strip of land adjacent to the Canal if Panama successfully gains entry to that international agreement and, in general, uses that territory as a platform for exports to all Latin America, considering also the importance of Panama's service economy. This would open new horizons for the development of the national economy and should not and will not clash with the integration of the former Canal Zone with the rest of the Republic's physical and political geography.

With the disappearance of the Canal Zone as a legal and political entity, as the Torrijos-Carter treaties state, we cannot foster the creation of a new Canal area. The Panama Canal Commission and the group of military bases which, according to the Panama Canal Treaty, are temporary, must definitively disappear within a mere five years. That means that as of midday on 31 December 1999, any foreign jurisdiction over Panamanian territory will cease to exist.

I did not support the creation of the Interoceanic Region Authority (ARI), which was formed after the invasion through Law No. 5 of 1 March 1993, because I rejected the concept of a geographic enclave under special jurisdiction that would prevent the rest of the Panamanian people from obtaining the benefits of the demands achieved. Nor do I support the formula of a legislative act that will raise to a constitutional level the creation of a native enclave that would be no more than a republic within a republic or a government within a government.

The Canal, under Panama's exclusive jurisdiction, and the entire strategic area that surrounds it, should form a single physical, social, economic, and political body with the entire territory of the Republic of Panama, including its territorial surface, territorial waters, submarine continental platform, subground, and airspace between

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Colombia and Costa Rica. As is stated in the Constitution, it is national territory that must never be ceded, sold, or transferred, temporarily or partially, to another state.

Just like the EC, the Rio Group, as a permanent mechanism for consultation and concerted political effort, hopes that its members will function in a concerted manner. As a founding member of the Rio Group, it behooves Panama to play a leading role under the leadership of Dr. Perez Balladares' Torrijist administration as we search for formulas to peacefully resolve the situation.

The Latin American nations, including those in the Caribbean, due to their cultural traits and common economic and social interests, as well as their historic roots, form a regional group that attribute unquestionable importance to their entire relationship with the United States. It is in the interest of us all that these relations unfold in a harmonious, friendly, and cordial manner. When there is tension or friction between the Latin American countries or between the Latin American countries and the United States, initiatives must emerge to seek the path of conciliation, understanding, and peace.

Omar was ahead of his time two decades ago. The monumental statement he made in his speech at the UN Security Council in Panama City on 15 March 1973 has gone down in contemporary history. Torrijos proclaimed: "Blockades and pressure should be more of an embarrassment to those who exercise them than to those who are the subject of them. Every hour of isolation suffered by the neighboring people of Cuba constitutes 60 minutes of hemispheric shame." "Instead of being hindered," Omar said, "the dawning of Latin America should be supported to promote peace."

"Our cemeteries of rebel struggle"—Torrijos told the Security Council—"are full of Panamanians turned into crosses because they fought for the right of the fatherland to establish its own rules of conduct without foreign involvement." As for the relatives of the El Chorrillo victims, trade, industry and the nation have pledged to compensate them for the damages suffered, although we will never be able to restore the lives of their loved ones who innocently died on 20 December 1989. [passage omitted]

Although the concept of nonalignment may seem anachronistic following the disappearance of the two East and West power blocs, we must now see that they have been replaced by the North and South blocs. No matter what name we give them, they continue to be a force in any negotiation, just as Torrijos defined it: "The nonaligned movement is an affiliation of poverty, and it offers the possibility of multiplying our cries to the powerful with 100 loudspeakers to see whether we can be heard."

Realistically speaking, Panama cannot shut its eyes to the existence of the PRC, not only because of what it represents culturally, scientifically, and socially, as well as politically as a permanent member of the UN Security Council with a right to veto, but also because it is a gigantic market with 1.2 billion inhabitants. It is illogical in this post-Cold War period in which Panama maintains relations with the CIS and other East European countries that it should not also have relations with the PRC. This is a decision the president will have to make in due course, especially when the president-elect has been laying the groundwork to extend diplomatic relations to the level of resident ambassadors with countries of no less importance to Panama, such as Canada and Australia.

Sensibly and nobly, President Perez Balladares is inviting everyone to cast aside their differences and work for the benefit of Panama. He said in Canazas: "We are going to have the best Panamanians—Panamanians who are willing to work with us and join in the government's task." This is an act of conciliation that will bring peace and tranquility to the country after a divisive election, and it will serve to heal the wounds that have been opened by politics.

It must be admitted that the failure or success of this administration, which has prompted so many great expectations both within and outside of the country, will be determined directly and unequivocally by its top leader, Dr. Ernesto Perez Balladares. As a statesman, he will not be able to back down from the legendary responsibility that the Romans described as culpa in eligendo and culpa in vigilando. Choosing aides is not easy. According to Torrijos, "The tough part is getting the knack of bringing together cadres who are capable of dealing with a problem." The president-elect has proven many times over that he has a knack for this.

There is no doubt that it is up to the PRD members to go to extremes with their commitment to improve the handling of the administration, and this applies to them more so than it does to members of other parties. In terms of PRD members, we compare their rights and duties to those of members of the same family. This is done in light of the interdependence of the interests of the president and his fellow party members, of whom he should expect loyalty, a spirit of sacrifice, and solidarity. This, likewise, implies that certain sensitive positions, for obvious reasons, should be held by party members.

During his recent international tour to Latin American, North American, Asian, and European countries, President Perez Balladares successfully worked to restore Panama's prestige and to elevate its image, which had been hurt greatly by the actions of certain Panamanians.

To recover our credibility, specifically in the United Nations and in the OAS, Panama's representation should not again be filled by those who voted or lobbied to justify and sanctify the U.S. invasion, which Latin American and Caribbean countries voted massively against. These countries, in both world and regional forums, condemned the invasion and called for respect

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for our territorial sovereignty and integrity and demanded the departure of foreign troops from our national territory.

The reestablishment of the country's dignity and prestige and the image of respectability of the new government could not reconcile itself with such an example.

Distinguished Panamanians from the various social and political sectors who will be recruited by the president-elect to serve the country have the duty to place public interests above private interests and to work in harmony to attain the goals the new president has outlined, and they must do this within a climate of harmonious cooperation. But within this confederation—not only a political confederation, but also one of public service—the PRD should turn its eyes toward the year 2000, stressing the Torrijos doctrine preached by the late leader. Today, Omar's line is clearer than ever when he said: "In these times, we must plan a 500 km journey—and here I paraphrase—a journey that lasts five years and at the end of which we will compete at the ballot boxes." In this way, we will test our policies directly at the ballot boxes, where, with wise simplicity, the people will deposit their most intimate candor, whether they approve or disapprove of our five years in office. He concluded: "Everything we do now must be seen in this light and carried out with this inspiration."

This is the party's challenge, which must be projected together with its president, with the PRD colors, and with the flags of the causes that Torrijos brandished in order that they fly majestically over the Presidency of the Republic at 1200 on 31 January 1999, as well as at the break of dawn on 1 January in the year 2000, entering the promising era of the 21st century with a firm step. [passage omitted]

Assembly Fails To Pass Accord With Colombia

PA2907152194 Panama City LA PRENSA in Spanish 28 Jul 94 p 3

[Report by Ibeth Vega G.]

[Text] After two days of debate, a plenary session of the Legislative Assembly (which was called to special sessions to discuss constitutional reforms) last night failed to approve an international agreement between Panama and Colombia. The proposed agreement was aimed at granting residential status to Panamanian and Colombian nationals living illegally in the two countries.

"A rejection of this agreement will adversely affect our diplomatic relations with the sister Republic of Colombia," warned Foreign Minister Jose Raul Mulino, who was summoned to the assembly to explain the benefits of the agreement.

The agreement, which was signed in Medellin on 23 February 1994 under the auspices of the Colombian-Panamanian Neighborhood Commission, failed to pass on a vote of 31 in favor, three against, with three abstentions. Under internal Legislative Assembly rules, international agreements must be approved by at least 34 votes. The legislators who voted against the agreement were Gabriel Arosemena, Melquiades Franco, and Alberto Tadeo Ibanez, who throughout the debate stressed the disparity in the numbers of Colombians and Panamanians who would benefit from the agreement.

The agreement was part of a series of international agreements and accords whose approval at the special session was requested by President Guillermo Endara.

The initiative was aimed at temporarily normalizing the situation of illegal immigrants, considering there are Colombian and Panamanian immigrants who for some time have been living in the other country's territory. Many of these people are married to or have had children with Colombian and Panamanian nationals.

Last July in Cartagena, the Colombian-Panamanian Neighborhood Commission recommended a program to normalize the status of illegal aliens, taking into consideration the special circumstances of migrants along the border region and those in urban areas, which sometimes cause problems and differences between the two nations.

One of the main objectives of this international agreement was to freely grant illegal aliens from either country definitive residential status and, therefore, the right to work. This status was to be granted provided the illegal aliens met the established requirements.

The document stated that, in the case of common-law couples, the family could obtain the aforementioned benefits after presenting an affidavit before a judge or notary public on the existence of a common-law marriage, as well as records of the couple's children.

Colombians and Panamanians living in Panama and Colombia before 1990 could have benefited from this accord. The agreement would not have covered nationals who, when the agreement took effect, were considered refugees, asylum-seekers, diplomats, service officers, and courtesy visa holders, as well as immigrants processing residency claims or those who face restrictions under respective immigration laws.

Judicial Technical Police Chief Views Corruption

PA2807193794 Panama City Circuito RPC Television in Spanish 2300 GMT 25 Jul 94

[Report by Luis Alberto Jimenez from the "RPC Television News" newscast]

[Text] Jaime Abad, director of the Judicial Technical Police [PTJ], has confirmed that some of his subordinates were involved in drug trafficking activities.

In his statements, Abad did not give the number of officials involved but did say that the investigations continue because it is possible that other officials may be involved in these irregularities.

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[Begin Abad recording] We have been able to detect a band, known as the Tumbadores, formed by some detectives, private individuals, and former members of the defunct Panama Defense Forces. [end recording]

Newspaper reports talk about a criminal band linked to drug trafficking activities and other crimes, which has infiltrated at least four of the eight PTJ divisions. According to Abad, the officials involved have been turned over to the Assistant Prosecutor General's Office, which is conducting the investigations.

Jaime Abad said that those found to be responsible for committing crimes will be punished with the full force of the law.

[Begin Abad recording] They were blackmailing nearby drug traffickers and pushers in exchange for a few coins. These detectives unfortunately became involved in this activity but they are all under arrest now at the orders of the assistant prosecutor, and we continue with our internal investigations. [end recording]

Jaime Abad made these statements after participating in funeral services for jewelry store owner Julio Pastor, one of the latest victims of the street violence that is hitting Panamanian society.

[Begin Abad recording] He was a great personal friend. They have killed a great friend of mine. He was a man who worked in his store at the Santa Ana Park for 42 years. He was almost part of the park itself. He was shot to death senselessly by three thieves. The one who killed him was a minor. [end recording]

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Argentina

Army Infantry, Marines 'Ready To Depart for Haiti'

PY0108223294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2020 GMT 1 Aug 94

[Excerpt] Buenos Aires, 1 Aug (NA)—After meeting with Admiral Enrique Molina Pico, Navy commander in chief, President Carlos Menem today revealed that the Marines have a total of 700 men ready to depart for Haiti.

Menem also confirmed that a draft bill requesting authorization for the trip of the Argentine troops to the Central American [as received] island has been submitted to Congress.

"If Congress authorizes the trip, the Argentine delegation will depart for the island within 15 days," said the president in an exclusive interview with NOTICIAS ARGENTINAS.

The Argentine Government has decided to participate in the multinational force that will be headed by the United States to reestablish constitutional order in Haiti after it received the go-ahead from the UN Security Council on 31 August.

"We will see what Congress says, but in any case it must be remembered that they are professional men and are also volunteers," Menem said.

The Argentine unit will be made up of two companies from the Army's Infantry Command and one company of Marines, who will travel by air to Puerto Rico, where they will board U.S. vessels.

The two Army companies are bivouacked in the neighborhood of Campo de Mayo, while the 700 Marines, according to military sources, are making final preparations in the Batteries area in Puerto Belgrano and will be the first to leave. [passage omitted]

Islamic Leader Denounces Campaign Against Muslims

PY2907233694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1550 GMT 28 Jul 94

[Text] Buenos Aires, 28 Jul (NA)—On 28 July Sheij Muhamud Aid [name as received], the imam of the "El Martir" mosque in Tucuman and president of the Argentine Islamic Organization, charged that "a campaign" is being waged in Argentina "against Muslims and Islam" following the attack on the AMIA [Argentine-Israeli Mutual Association] headquarters. He stood up for the diplomats from the Iranian Embassy in Argentina who have been accused of being responsible for this attack.

The Muslim leader said: "We want public opinion to be impartial in this case because the charges that are being leveled against Muslims are totally unsubstantiated. We are very grieved by this entire affair. Iranian diplomats are being accused even though they have denied any participation in this attack. This is a terrible injustice, because nothing has yet been proved."

In remarks made to Radio Cultura in Tucuman City, the imam expressed his conviction that "an anti-Islamic campaign, which is very well organized by people who could not care less whether innocent people die, be they Muslim, Christian, or Jew," is being waged in Argentina.

The Shi'ite leader, who is the representative of one of the seven Islamic organizations registered with Argentina's Cults Register, voiced his concern over possible "retaliations" against the Muslim community living in Argentina.

He pointed out that "the Argentine people are aware of everything surrounding this campaign, and know very well how to differentiate things. Still, this campaign will surely have an influence on some sectors, and this may trigger some violent attack against Muslims."

Commenting on the charges made against Iranian officials that they are the alleged masterminds behind the attack on the AMIA headquarters, Muhamud Aid noted that "there are several contradictions in this affair," and mentioned the fact that "until some days ago a group that does not even exist was blamed for this attack."

The imam was thus referring to the "Followers of God" ("Ansarallah") group, which according to what President Carlos Menem announced, had claimed responsibility for the 18 July attack on the building located at 600 Pasteur St.

He moreover reiterated that the Shi'ite community "is terribly sorry for and forcefully condemns this act of violence," and made it clear that "we are against any act of terrorism."

Panamanian Vice President Says Bomb Caused Plane Explosion

PY2907235994 Buenos Aires CLARIN in Spanish 29 Jul 94 p 39

[Interview with Panamanian Vice President Guillermo Ford by Fabiana Fondevila in Buenos Aires "a few days ago"]

[Text] [Fondevila] What is the latest news on the plane accident?

[Ford] I have just spoken with the Panamanian president. He told me that the investigators have concluded that the accident was caused by a bomb. However, we have not been able to determine if those behind it are anti-Semitic Lebanese fundamentalists or if it is a drug-related incident. Investigations continue and I would prefer not to speculate until a definitive conclusion is reached.

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[Fondevila] Do you think the attack on the plane and the attack that destroyed the AMIA [Argentine-Israeli Mutual Association] headquarters in Buenos Aires are linked in any way?

[Ford] We do not want to link the situation in Panama with the situation in Argentina, and least of all with the situation in London. We would be giving the people behind these barbaric acts too much importance. We have not been able to find any connection between those attacks.

[Fondevila] Do you have any foreign officials working on the investigation in your country?

[Ford] We invited the U.S. and Israeli intelligence services to investigate whether the plane was downed by a bomb. The rest of the investigation will be conducted by the attorney general's office. We want to cooperate with the Jewish community because we respect and admire it. We condemn these attacks.

[Fondevila] How important is the Panamanian Jewish community?

[Ford] It is a very important community. They are hard-working and well respected people. It is one of the most important communities in Panama.

[Fondevila] Have there been other anti-Semitic attacks in Panama?

[Ford] There have been some bomb attacks on Panamanian Jewish people. One well-known Panamanian Jew called Schwartz was kidnapped some time ago, and now he is one of the victims in the plane accident. There has been a lot of speculation but we do not know of any connections. I do not want to express an opinion. I prefer to have more details of the accident before talking about it. About six weeks ago one of Schwartz's cousins was attacked with a bomb, but he miraculously escaped unhurt. But we cannot speak of a true anti-Semitic campaign in Panama.

[Fondevila] We have heard in the past few days that Schwartz was being investigated. Is this true?

[Ford] That is correct. But I repeat: We must be careful about where we draw the line. A responsible attitude is not to say anything until we know more in order not to condemn an innocent man or acquit a guilty one.

[Fondevila] Have the authorities taken preventive measures?

[Ford] We have doubled the guard at all Jewish community centers. The Jewish community is taking its own precautions as well. It is almost impossible to prevent an act like this because it is so sudden. What is important is for the world to close ranks against this type of situations.

Agreement on Mercosur Reached With Brazil

PY0108201194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1415 GMT 1 Aug 94

[Text] Buenos Aires, 1 Aug (NA)—Negotiations for the implementation of the Mercosur [Common Market of the South] at the beginning of next year were placed on solid ground over the weekend by an agreement between its two main partners. Argentina and Brazil agreed on the creation of a common external tariff, which must now gain the consent of Uruguay and Paraguay.

The Brazilian and Argentine delegations, headed by the two countries' foreign and economy ministers, isolated themselves at a Buenos Aires suburban farm on 30 July and were able to overcome the most important differences separating the two countries.

In this way, the round of negotiations between the four countries' technical personnel that begins today will be used to convince Uruguayans and Paraguayans of the terms of the customs union that will be inaugurated four months from now.

Negotiators do not hide their enthusiasm now that fears that Brazil and Argentina could not breach their differences have been dispelled. They now expect the four Mercosur member countries' presidents to come to this city on 5 August simply to tie the final knot on the Mercosur package.

The decisive Argentine and Brazilian discussions were able to achieve substantial agreement on common external tariffs, support policies to different industries, and free trade zones, among other issues.

This essential progress makes possible the implementation of a common external tariff covering 85 percent of all goods on 1 January 1995. It is estimated that almost all products will be covered by 2001.

The common external tariff will levy imports from countries from outside the zone. This tariff and the zero internal tariff—that is, duties on the exchange between partners—are the essential pillars of the future customs union.

According to what was previously agreed upon, an imperfect customs union will take effect at the beginning of next year because the common external tariff will not cover 100 percent of products.

Another important agreement between the largest partners this weekend concerned the origin norms, which will be in effect for as long as the customs union is in effect and which will prevent a member country from being "invaded" by products imported by other member nations with lower tariffs.

Brazil reportedly agreed to accept the Argentine Government decision to give returns on food imports.

The next step will be to put these issues on the table for a definitive consensus by the four members and then continue analyzing the possible incorporation of Chile and Bolivia into the Mercosur.

The foreign and economy ministers will meet at the Argentine National Bank. The Fourth Mercosur Ministers Council will meet at the same premises on 4 August.

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On 5 August President Carlos Menem will receive his counterparts Itamar Franco of Brazil, Luis Alberto Lacalle of Uruguay, and Juan Carlos Wasmosy of Paraguay. The Mercosur summit meeting will be held at the National Bank.

Also attending, as guests, will be Chilean President Eduardo Frei and Bolivian President Gonzalo Sanchez de Lozada, who are maintaining advanced negotiations to join the Mercosur.

Ambassador to U.S. Comments on Congressional Hearing

PY0108231894 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 1 Aug 94

[Telephone interview with Argentine Ambassador to the United States Raul Granillo Ocampo, in Washington, by reporter Antonio Carrizo—live]

[Excerpt] [Carrizo] Hello?

[Granillo Ocampo] Good morning, Antonio. How are you?

[Carrizo] How are you? Are you very busy, Mr. Ambassador?

[Granillo Ocampo] Well, you know that things are always pretty hectic here, and now they are even more so due to these regrettable events.

[Carrizo] Today you had a very important meeting.

[Granillo Ocampo] That's right. The hearing convened by two subcommittees from the U.S. House of Representatives has just finished. The core of this hearing was the analysis of international terrorism and how to find a means of cooperation between countries with regard to this issue. It was a very positive hearing. I would say that there is near consensus on this subject in the sense that terrorism is considered a world scourge, that it is very difficult for individual countries to effectively combat it, and that countries should therefore join forces with one another and share intelligence services.

[Carrizo] How did things go at the meeting? Was it a briefing given by the Argentine ambassador, or a meeting between equals to discuss things?

[Granillo Ocampo] Given my capacity as ambassador, we could not participate very actively in those kinds of things. The idea was to give an account as a country that is affected by this phenomenon. So our participation was practically concluded once we gave that account. The other participants made a different presentation, and even had greater freedom of action. The truth is, we sought to restrict the questioning so as to dissipate the feeling that the hearing was to account to the U.S. Congress for what had happened, when in fact the hearing was convened to reach a consensus on cooperation. I believe the comments made by Tom Lantos himself, and the representative who was sitting next to him, were that... [changes thought] Well, they thanked us for our report. They thought that the measures we had taken at the international level were interesting, and said that from Congress they would propose that their own government support these kinds of decisions so as to be effective in this struggle.

[Carrizo] At a certain point it was hinted here that the hearing was a sort of dressing down to Argentine officials, although this idea then fizzled out.

[Granillo Ocampo] No, absolutely not. There is something that sheds much light on this affair. At one point in his presentation Ruben Beraja [chairman of the Delegation of Argentine-Jewish Associations] expressed his dissatisfaction over the lack of results in the investigations into the attack, and Lantos himself, the chairman of the hearing, told him that on previous occasions the United States' investigations had not yielded any positive results either, and that this feeling of powerlessness was not restricted to the attack in Argentina alone, but was rather characteristic of the international phenomenon of terrorism. [passage omitted]

Bolivia

Cardenas Interviewed on Strengthening of Ties

PY0108193894 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 1 Aug 94

["Excerpts" of "exclusive" interview with Vice President Victor Hugo Cardenas by Alejandro Guiller on 31 July—place not given]

[Text] [Victor Hugo Cardenas] Chile is a neighboring country, and I believe that instead of continuing to live as brothers walking back to back, we must seek a rapproachment. We want to get to know each other better and this is why Chile is almost being invaded by Bolivian representatives of the cultural field. We want to show Chile the true image of our country.

[Alejandro Guiller] Do you think this will contribute to stepped up trade, which, in terms of our respective economies, is quite insignificant?

[Cardenas] Certainly, because business can be very successful when the various partners trust and know each other. And this is what the current Bolivian and Chilean citizens must work on.

[Guiller] Historically speaking, Bolivia's landlocked situation has always been a barrier between our two countries. Is there any chance of tackling this subject without the traditional reaction of Chile refusing to acknowledge it every time Bolivia raises it because it believes it belongs to the past?

[Cardenas] I think the subject of our relationship has been oversimplified, because it is a much more complex and rich issue. There are various issues on the Bolivian-Chilean agenda, and the outlet to the sea is obviously one

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of them. The progress we make regarding these various agenda issues will obviously vary, but we must be open-minded because Bolivia and Chile need each other and must cooperate with each other. In this sense, I believe that the cultural aspect, getting acquainted with what our respective peoples have created during the course of many years, may truly clear the path, and this is why this cultural week will help the two countries get acquainted with each other.

[Guiller] In northern Chile people are increasingly aware that the only way to overcome the problems affecting such important cities as Arica, Iquique, and Antofagasta is through a broad integration with Bolivia, the northeastern Argentine region, and even Paraguay, Brazil, and southern Peru. Is northern Chile equally important to Bolivia?

[Cardenas] I believe this is a very interesting and important idea. Bolivia is putting theory into practice in this regard because we are going to supply gas to northern Chile and I believe this is a concrete way of making progress in the integration field. One of Bolivia's priority issues is its relationship with neighboring countries, to play an active role in the subregional economy and also to belong to an increasingly international economy. But there is no reason why, in this process, we should lose our cultural and historical identity.

Brazil

Decision Not To Intervene in Haiti Based on Constitution

PY3107175994 Sao Paulo AGENCIA ESTADO in Portuguese 2308 GMT 31 Jul 94

[Text] Buenos Aires, 31 Jul (AE)—Brazilian Foreign Minister Celso Amorim today said that Brazil's decision not to vote in favor of an intervention in Haiti was based on Brazilian constitutional principles. "The Brazilian Constitution endorses the principle of nonintervention," he said. Amorim is in Buenos Aires to attend the 1 August meeting of foreign ministers of the countries of the Mercosur [Common Market of the South].

Amorim added that the possibility of Brazil participating in a peace force in a second stage depends "on the developments" of the intervention process in Haiti. "A state of war is not considered," he said. He revealed that today he "spoke briefly" with Argentine Foreign Minsiter Guido di Tella, who defended Argentina's position in favor of an intervention in Haiti.

Government Says 'Most' Latin Nations Oppose 'Risky' Haiti Invasion

PY0108203194 Madrid EFE in Spanish 1538 GMT 1 Aug 94

[Text] Brasilia, 1 Aug (EFE)—The Brazilian Government today asserted that most Latin American countries reject the possible invasion of Haiti. A UN Security Council resolution authorized this invasion last weekend.

Brazilian Deputy Foreign Minister Roberto Abdenur pointed out in Brasilia that the use of force to solve a political crisis, oust the military regime, and restore democracy is "risky," and violates the principle of nonintervention in the domestic affairs of other countries.

He said: "A large-scale invasion is something very risky, because one loses control over it, violence is triggered, multiple reactions are created, and the overall result can affect the desired objective."

Brazil and the PRC were the only two members of the UN Security Council that chose to abstain from voting on the resolution authorizing the United States to organize a "multinational force under unified control and command" to invade Haiti "whenever and however it deems appropriate."

Argentina, the other Latin American country to participate in the Security Council, voted for the resolution, which was proposed by U.S. President Bill Clinton, and is preparing some 600 members of its Armed Forces to participate in the multinational force. This participation, however, must be ratified by the Argentine Congress.

Police Tighten Border Controls To Find Iranian 'Terrorist'

PY0208021194 Sao Paulo AGENCIA ESTADO in Portuguese 1948 GMT 1 Aug 94

[Text] Brasilia, 1 Aug (AE)—The intelligence services of the Federal Police and the Strategic Affairs Secretariat have tightened the controls at borders and airports to look for clues that could lead them to the Iranian Imad Mugniyel, known as Iran's Carlos [after the notorious Venezuelan terrorist nicknamed Carlos]. A police inspector today said: "Although the Brazilian Government has not received any official communication from the Argentine, British, or Israeli Governments about Carlos, we will find out whether anyone called Imad Mugniyel has presented a passport, purchased tickets, used airports, or crossed any Brazilian border."

At the Iranian Embassy in Brasilia, Minister Counselor Mohamed Hussein Baniassadi denied reports published in the British newspaper THE SUNDAY TELEGRAPH on an Iranian man's having participated in the attack on a Jewish institution in Buenos Aires. The Iranian diplomat said: "We vehemently deny this fact. It is but a groundless rumor." Baniassadi asserted that neither in Iran nor Brazil is there an Iranian named Imad Mugniyel who is known as Iran's Carlos, as was published in the British newspaper. "These names are fake, and we have learned about them through the newspaper headlines," he said.

Minister Counselor Baniassadi also said that after contacting Iranian officials in Tehran the Iranian Embassy

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will release an official note denying this rumor. Iranian Ambassador to Brazil 'Ali Majedi has been on leave in Iran for more than two weeks, but he has been contacting other Iranian diplomats serving at the embassy.

The article published by THE SUNDAY TELEGRAPH has taken Itamaraty and the Brazilian Government intelligence service by surprise. According to the article the Israeli and British intelligence services believe that the team that placed the bomb in the building of the Jewish institution in Buenos Aires had been stationed in Brazil, and is linked to the Iranian Embassy in Brasilia. The Federal Police inspector said: "Although we are investigating Carlos' presence in Brazil, we cannot limit ourselves to information published by the foreign media. Independently from any bit of news, we are on the alert about any irregular movement at the borders or airports." At Itamaraty, a diplomat explained that so far there has been no official government-to-government request for an investigation into the possible admittance into the country of people allegedly involved in the attack in Argentina.

Cardoso Launches Coalition Platform

PY0108192494 Sao Paulo AGENCIA ESTADO in Portuguese 2310 GMT 28 Jul 94

[Report by Guilherme Evelin and Christiane Samarco]

[Text] Brasilia, 28 Jul (AE)—Announcing his proposal to "transform today's dream into tomorrow's reality," PSDB [Brazilian Social Democracy Party] presidential candidate Fernando Henrique Cardoso evoked the political style of former President Juscelino Kubitschek [JK, 1956-1961] to justify his party's coalition with other parties. "May JK inspire me and enable me to become what he was—the mastermind of consensus."

The solemn ceremony to launch the major guidelines of the government program of the coalition between the PSDB, the PFL [Liberal Front Party], and the PTB [Brazilian Labor Party] was held at the JK Memorial auditorium in Brasilia. JK's daughter Marcia Kubitschek (PP) [Popular Party], who is a candidate for the Senate in the Federal District, delivered a speech in which she said: "We have the courage to once again make Brazil grow 50 years in five," adding, "I give the floor to the future president of Brazil." She presented Cardoso with a document entitled JK/65—Main Goals for Agriculture, which sums up the priorities of JK's election campaign. JK's government was toppled by the 1964 military coup d'etat.

Cardoso took an hour to read a 40-page speech in which he diagnosed the Brazilian crisis and presented the Real Plan as the solution to the country's economic stabilization. He said he intends to finalize this plan during his administration through the implementation of the necessary structural reforms. Breaking the monotony of the reading, Cardoso made some brief off-the-cuff remarks which drew applause from the audience.

"I do not dodge debates or discussions, even if I believe they will not benefit me," he said in a veiled criticism of PT [Workers Party] presidential candidate Luiz Inacio Lula da Silva, who did not participate in a debate sponsored by the Rio de Janeiro Trade Association on 25 July. "Brazil is tired of hypocrisy and needs resoluteness," he stated, adding: "I can govern with firmness but without arrogance."

Members of the economic team—including Jose Milton Dallari, special adviser to the supply area—were among those in the audience who applauded Cardoso. "I came as a citizen and as a PSDB member," said Dallari. Mines and Energy Minister Alexis Stepanenko, Industry and Commerce Minister Elcio Alvares, and Acting Planning Minister Raul Jungmann were sitting at the presiding table for the ceremony. Stepanenko explained: "I was born in Sao Paulo, I file my income tax return here, I am a voter, and I am here as a citizen."

To avoid being accused of using the government machinery in his election campaign, Cardoso's aides proceeded with extreme caution. When announcing the ministers and inviting them to come to the table, the master of ceremonies addressed them as "mister" or "doctor." A direct adviser to Cardoso's campaign manager bragged: "We did not address them as ministers; after all we are becoming professionals." Some PMDB [Brazilian Democratic Movement Party] dissidents like Deputy Nelso Jobim (RS) [Rio Grande do Sul] and Recife Mayor Jarbas Vasconcellos—who defected from the PMDB to get involved in the campaign—also attended the ceremony at the JK Memorial auditorium.

Also at the table were Federal District Governor Joaquim Roriz (PP), and Senador Valmir Campelo (PTB), and Deputy Maria de Lourdes Abadia (PSDB)—two front-running candidates in the race for the Federal District governorship who scrambled to attract Cardoso's attention and monopolize him to show they are backed by the presidential candidate.

Here are the most salient points of Cardoso's speech:

- Diagnosis of the crisis: "The underlying cause of state disorganization and our economic problems—of which inflation is an indication—is the exhaustion of our development model based on a protected industrialization process. We have been shackled by the old model too long while the world has already derived real benefits from economic opening and deregulation."

- Real Plan: "Economic stabilization is an indespensible prerequisite to overcome the present crisis. We will attain stability without confiscation, without price freezes, and without draconian measures. This stabilization, which will benefit the most destitute strata of society, will be achieved by implementing a policy that does not follow any model dictated by other countries or which is not to our liking."

Dream: "Stabilization is not an end in itself, but it is an essential step to place society on the path to social and

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economic progress. We must take advantage of the progress attained through economic stabilization to attack the structural problems of the country."

- Short-term government goals: "We have chosen five goals for our government program: employment, education, health, agriculture, and security—not as an academic exercise or electoral strategy, but because we acknowledge that they are the basic points to begin to repay the great social debt our country has with its people."

—Mid-term goals: "It is necessary to create resources that will be massively invested in educational, scientific, and technological development. I believe in five mechanisms to carry out this great effort: traditional public budget funds, reinvigorated through a fiscal reform; funds resulting from the privatization process; participation in the national and international financial markets through the issuance of long-term securities; the definition of a new partnership with the private sector; and external financing from bilateral sources, the World Bank, and the Inter-American Development Bank."

- Long-term objectives: "The basic formula for advantageously inserting Brazil in the international economy is through more education for the population, new technologies, and a dynamic and innovative productive sector. With stable, productive, and well-paid jobs, our people can face the rest of the world on equal terms and view the future with confidence, without fear of competition."

- Most urgent challenge: "We cannot have a national development project as long as we continue to coexist with an enormous mass of the poor and destitute. Help for the poorest sectors requires an intelligent combination of emergency actions and reforms in health, sanitary services, education, housing, and security. Our social reform will have the people as its priority. We must erase from our country the problem of the street children. Children must not be an embarrassment for our collective conscience; they are the future of our country."

- State reform: "We need a smaller, stronger, and more agile way to regulate economic activities and to efficiently combat our social problems. Our reform has two sides: fiscal and administrative. Fiscally, we must simplify the present inefficient taxation system and redefine the jurisdiction of the federal government, the state, and the municipalities. Administratively, the government must recover its governing capability.

- Privatization: "Privatizations must be accelerated, but we must be careful not to merely reinforce the government's power to regulate and control. We must avoid the formation of private monopolies. The government's role as a producer of goods and provider of infrastructure services will be maintained in strategic fields, but it must produce with the same level of efficiency as the private sector."

- Government and civilian society: "The renewed enthusiasm of society is a very important resource to place the country on the appropriate path. The creation and expansion of civilian—not government—spaces will receive the permanent attention of the government."

- Brazilian state and the international community: "We want stable and balanced rules for international exchange and we will adopt the measures that will give us effective conditions of competitiveness. Foreign policy must play its role in expanding Brazilian economic participation. Therefore, I will continue with the efforts of integration within the Mercosur [Common Market of the South] and Latin America.

- Negotiating capability: "Let us not deceive ourselves or lead our country into a mistake. The election of a president is not enough to ensure the changes Brazil needs. The capability to organize large groups, to unify different forces—perhaps even opposition forces—constitutes a basic capability element for any political party to govern Brazil."

- Government commitment: "I have a sense of reality. My project includes the Brazilian dream for a better life. I will not compromise with those who promote backwardness, political patronage, or group interests. My only compass will be the nation's interest, which will guide my government decisions.

Cardoso Shifts Campaign To Attract Lower Class Voters

PY0108234294 Rio de Janeiro JORNAL DO BRASIL in Portuguese 29 Jul 94 p 3

[Article by Ilimar Franco]

[Text] The political management of the PSDB-PFL-PTB [Brazilian Social Democracy Party-Liberal Front Party-Brazilian Labor Party] coalition has decided to step up Fernando Henrique Cardoso's election campaign in the northeastern and southeastern regions, and change its campaign's tactics with a view to capturing the D and E class votes. The objective is to reverse the negative electoral picture in the northeast, and to consolidate the strides made in the southeastern region. Cardoso will have to make his social discourse more radical in order to capture the poorest strata of society, which have so far been more sympathetic to PT [Workers Party) presidential candidate Luiz Inacio Lula da Silva.

This strategy will be implemented during the first 10 days of the program, during the free air time on radio and television allotted for the political parties' election campaigns. One of Cardoso's messages to the electors will seek to link his political trajectory with social struggles and his political confrontation with the military dictatorship. Sergio Motta, a member of Cardoso's team of campaign managers, said: "Social discourse is not a PT monopoly."

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This concern arose in discussions over Cardoso's government program, which will clearly state that the driving force for resuming growth is private initiative, but that the state has to be strong in correcting social imbalances. Paulo Renato Souza, coordinator of the government program, summed it up in the following terms: "Economic growth depends on private initiative, and the eradication of dire poverty on the government's actions."

Cardoso's canvassing of Maranhao, Bahia, Pernambuco, Ceara, Rio de Janeiro, and Sao Paulo was part of this effort to consolidate his popularity among voters. His campaign managers believe that the results of the public opinion polls conducted in July are not "consistent," and therefore they have to be "cautious" and check their "euphoria."

PSDB Coalition Faces Charges Against Cardoso's Running Mate

PY0208014594 Sao Paulo AGENCIA ESTADO in Portuguese 2334 GMT 31 Jul 94

[Report by Guilherme Evelin and Cristiana Lobo]

[Excerpt] Brasilia, 31 Jul (AE)—The political command of the PSDB-PFL-PTB [Brazilian Social Democracy Party-Liberal Front Party-Brazilian Labor Party] coalition wants to prevent the charges made against Senator Guilherme Palmeira (PFL-Alagoas), vice presidential candidate on the ticket of Fernando Henrique Cardoso (PSDB-Sao Paulo) from slowly affecting the former finance minister's candidacy and endangering his ever-increasing popularity as indicated in recent polls. The coalition leaders are afraid that Palmeira may become a problem for Cardoso's candidacy, as Senator Paulo Bisol (PSB-RS) [Brazilian Socialist Party] was for the candidacy of Luiz Inacio Lula da Silva of the Workers Party [PT]. The leaders have decided that this problem must be solved this week. One of Cardoso's close aides today clarified: "We will not continue to suffer with this problem."

Although in favor of keeping Palmeira on the ticket, the political campaign command demands from him a public and definitive explanation and "radical measures." Cardoso may discuss the position to be adopted on the charges being pressed against the vice presidential candidate tomorrow, and take advantage of the presence in Sao Paulo of Jorge Bornhausen, national PFL president and candidate for the Santa Catarina State governorship, and of Deputy Luis Eduardo Magalhaes (Bahia State), PFL leader in the Chamber of Deputies. In the opinion of the leaders of the Union, Work, and Progress coalition, the charges so far pressed against Palmeira—presenting amendments to the budget that would serve the interests of the Servia construction company, and receiving two pensions as a retired public employee—still do not affect him too seriously. The leaders assert that the charges are being nurtured by the PT in an attempt to compensate for the harm that the charges against Bisol have caused Lula.

There is a certain irritation with Palmeira among the coalition leaders, as they believe Palmeira is being too tolerant with his adviser Carlos Abraao de Moura. Otair de Oliveira, a former driver for the Servia company, is charging Moura with having received nearly 20 checks between 1993 and 1994. To get rid of the charges that Moura was his "middleman" with the construction company, Palmeira was advised by his PFL comrades to publicly charge the adviser with these irregularities. Moura is currently a candidate for state deputy in Alagoas. [passage omitted]

[Rio de Janeiro JORNAL DO BRASIL in Portuguese on 30 July publishes in its "JB Report" column on page 6 a 60-word note which adds: "The adversaries will press five charges against Cardoso's running mate: He presented amendments favoring the Servia company, he retired after working for only six years, he had his campaign financed by Paulo Cesar Farias, he did not vote for former President Fernando Collor's impeachment, and he failed to vote in Senator Ronaldo Aragao's trial in Congress."]

PT Vice Presidential Candidate Interviewed

PY0108222694 Sao Paulo AGENCIA ESTADO in Portuguese 2235 GMT 28 Jul 94

[Interview with Workers Party, PT, vice presidential candidate Aloizio Mercadante by unidentifed AGENCIA ESTADO reporter; place and date not given]

[Text] [AE] Has the crisis prompted by charges against Bisol [Senator Paulo Bisol, Brazilian Socialist Party-Rio Grande do Sul, former PT vice presidential candidate] negatively effected the PT electoral campaign?

[Mercadante] Bisol has an important career. He played an important role in the 1989 electoral campaign and in the Congressional Investigating Committees [CPI] that looked into the scandals concerning [former President Fernando] Collor and the budget. The campaign against him, however, has shaken our candidacy and our image in the eyes of PT militants because our party has always called for a new political system, based on an ethical manner of dealing with public matters. Our street campaign has been almost entirely paralyzed during this period. It is difficult to know what effect the charges have had on the voters. We still cannot measure that, but I believe the decrease in Lula's [PT presidential candidate Luis Inacio Lula Da Silva] popularity may be partially due to this. The decision to make the change has given the PT new spirit. The change was a politically correct decision and had to be made.

[AE] Why, exactly, was the ticket's image shaken?

[Mercadante] Because the PT has always represented a new trend in politics and represented a rupture between political opportunists and the oligarchies. The front that

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supports Fernando Henrique Cardoso (PSDB) [Brazilian Social Democracy Party] incorporates the habits we combat and consists of a machination between private and public interests. We represent a change in this old way of making politics and it would have been very difficult to spend the entire campaign on the defense. Bisol's defense, from the political and legal points of view, will have to be made outside the campaign.

[AE] Do you mean that to defend him, the leadership had to use arguments that contradict what the PT has always attacked, like unethical ways of dealing with public matters? Is this, in your opinion, what has shaken the PT image?

[Mercadante] Yes. As we have a different political culture, we must be as strict when judging ourselves as we are in judging others. We cannot support groundless charges against Bisol, but we must also be consistent and demand ethical behavior from ourselves as we do from others. Bisol had the grandeur of admitting his mistake in presenting the amendments [to the Budget law]. The fact, however, is that there was a mistake. We, who acted in the CPI, must be consistent regarding the CPI results, and this shows that the budget process had to be changed. Amendments cannot continue as before, giving way to distortions.

[AE] Do you not fear the decision to replace the vice presidential candidate one month following the pressing of charges could give the impression that the replacement was made to obtain more votes in the elections? Why did you defend a style behavior that contradicts your party's discourse? If you knew that it was necessary to replace the vice presidential candidate, why did the party fail to do it before support for Lula began to wane?

[Mercadante] Is it too much to grant a man—who has been in public life for 45 years—one month to defend himself? When charges were made, he had no chance to defend himself. This is why we wanted to give him time to do it. Now, he can do it. New charges were being made against him every two days and we knew nothing about several of them. We could not make a decision without giving him a chance to defend himself. The problem was complex and delicate. The important thing is not the time it takes to find a solution, but the quality of the solution. I think our solution is good.

[AE] You attributed the drop in Lula's popularity partly to the Bisol episode. Would the Real Plan be responsible for the rest?

[Mercadante] Yes, there are two factors: the brutal campaign against Bisol and a media campaign, of the most powerful sort, in favor of the real and seeking to improve Cardoso's candidacy. To be honest, the campaign's impact was less than we expected, probably as a result of mistakes in the plan's methodology in stabilizing the currency through reducing the purchasing power and suffocating production with high interest rates.

[AE] You have become a candidate just as your party's popularity is decreasing and the people are viewing the Real Plan, which was drafted by the party's main rival, as a success. Were you chosen because you are the campaign's economic coordinator and, as such, are better prepared to discuss the issue?

[Mercadante] My training in the field is undoubtedly important for a vice presidential candidate's profile because the economic issue will be one of the most important topics in the campaign. But it was not the only reason. There are other reasons such as being a founder of the party, being trusted by Lula, and having played important roles in defending the ethical handling of political life.

[AE] Even with the popularity of the real and with Lula's drop in the polls, will you continue to attack the plan?

[Mercadante] We will maintain our evaluation of the real, showing that we also want stability and an end to inflation, but also demonstrating that the plan does not guarantee lasting stability. Without considering income and interest rate policies, stability is being attained—once again—at the expense of the workers. Price hikes were very large and so, while the currency is strong, it does not exist in the pockets of the workers. Exports have lost their competitiveness on account of the overvaluation of the currency and of the IPMF [Provisional Tax on Financial Operations]. These measures tend to be recessive.

[AE] Why did your party announce that it would present an alternative to the Real Plan, only to retreat? Were you frightened over the acceptance of the plan?

[Mercadante] No, we are presenting to the people alternative policies that combine economic stabilization with the structural reforms Brazil needs. Some reforms can be implemented simultaneously with the stabilization of the economy, like the agrarian and tax reform, the educational system reform, and the creation of jobs and support for small and medium-sized companies. We criticize but we also show alternatives, like the management-labor negotiating boards; collective labor bargains; a policy for the basic family basket, the price of which increased from 64 URV's [Real Value Unit] to 104 reals; a reduction of interest rates, which are five times the international rates; and a foreign trade policy to promote exports.

[AE] By attacking the Real Plan, do you fear being known as the inflation candidates? Is it not risky to row against the tide?

[Mercadante] That is not true. We are also against inflation because we consider it an evil mechanism that concentrates wealth. We will not change the currency. We do not agree on the way it is being administrated because it will not attain lasting stability. The real is once again penalizing those who do not have money; the family basket is 17 percent more expensive since the

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implementation of the plan. The fact that the people want stability is positive—we also want this and we also want to save the currency—but we do not accept cuts in health and education investments just to pay high interest rates. We are sure the people understand it is not enough to have stability if it entails a loss of purchasing power. We want lasting stability, and not this cosmetic campaign program that was implemented without the necessary reforms. Our position can be summarized as: Strong currency yes, weak salary no.

[AE] How do you intend to bring together the spending state you propose with social well-being, and with curbing inflation?

[Mercadante] By spending in a better manner, by ending double accounting, by ending waste, by ending overbilling, by changing the budget policy, by increasing tax revenues by combating tax evasion, and by carrying out a tax reform that will simplify taxes.

[AE] Some of these measures will only be possible by amending the Constitution, which requires a majority in Congress...

[Mercadante] Of course, but I am sure that we will obtain a spectacular bloc in Congress, and that the people will stage a great CPI on 3 October [election day]. We will suggest alliances with the PDT [Democratic Labor Party], the historical and ethical PMDB [Brazilian Democratic Movement Party], and with broad sectors of the PSDB after Fernando Henrique's defeat.

[AE] Will they be invited to join an eventual PT government?

[Mercadante] The composition of the government is a task for the president but, if he asks me, I would advise him to do that. I believe we must ally with those forces, especially once we are in government, to obtain a solid support to allow us to accomplish the reforms we want to carry out.

[AE] By promising to create 8 million jobs, you expect most will be the result of private investments. Do you believe the business class, which has shrunk over the last 15 years under rightist administrations, will invest in a leftist government?

[Mercadante] Investment decisions are not ideological. Investments are made in the PRC. Investments will be made if the rules are clear, if interest rates are compatible, if there is an expectation of growth, and if society supports them. We will create a massive consumption market together with the productive sectors. The only thing that investors want are clear rules, stability, and a market.

British Companies To Provide Equipment for Navy

[illegible]2907183594 Brasilia Voz do Brasil Network in [illegible]rtuguese 2200 GMT 28 Jul 94

[Report from Brasilia by Patricia Gomes]

[Text] British companies will provide equipment for Brazilian Navy ships. The government today signed a financial agreement with British companies worth $58 million to equip the Brazilian Navy. This financial agreement will support four other contracts the Navy signed with the (Racal), Rolls Royce, and Westland Helicopter companies for the construction of Brazilian helicopters and ships. The equipment and electronic parts will arrive in Brazil during the next two years. Navy Minister Ivan Serpa said that this agreement completes a series of understandings with England on Brazilian Navy development.

'More Flexible' Exchange Rate for Investments Considered

PY0108234594 Sao Paulo AGENCIA ESTADO in Portuguese 2325 GMT 29 Jul 94

[Report by "special correspondent" Tania Abreu]

[Text] Buenos Aires, 29 Jul (AE)—Finance Minister Rubens Ricupero reported today that the Brazilian Government is studying more flexible exchange rules for the remittance of capital abroad. He said the idea is to gradually allow greater freedom of exchange as long as capital movements are linked with specific investments. These changes in the rules would directly benefit Brazilian investments in Mercosur [Common Market of the South], while isolated cases may be solved independent of the eventual new rules. Ricupero told Brazilian businessmen: "We are thinking of gradually allowing a freer movement of capital as long as it is meant for investments, like within Mercosur."

The minister said the new rules are being discussed bearing in mind that these new instruments must not become mechanisms for fiscal or capital flight. "The objective is to have a more liberal system, with the least control possible," Ricupero said, adding that he will analyze two concrete cases as soon as he returns to Brasilia. These involve petitions by the Iochpe and Maxion groups which have investments in the diesel tractor business in Argentina.

Ricupero said he favors the creation of a committee to follow up Brazilian investments in Argentina, which this year will amount to $500 million. The Iochpe and Maxion groups have already asked the Central Bank to be more flexible in allowing them to remit capital, but they have yet to receive an answer from the government. Ricupero stated: "I will analyze the petition. For Mercosur, more flexible rules are a natural solution."

The minister said the arrival of capital will not be hindered by administrative red tape. He ruled out the possibility of adopting a "quarantine" system like the one used in Chile. Ricupero said for the time being he will not increase the IOF [Financial Operations Tax]. "We prefer the market to regulate the flow of hard currency," he stated. Ricupero said the Brazilian Government strategy of maintaining a floating exchange rate

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to buy dollars and a fixed exchange rate to sell them has so far proved a "powerful mechanism" to avoid pressure from incoming foreign capital which is attracted by high interest rates paid in Brazil.

Chile

Bolivian Vice President Arrives for Visit

PY0108181094 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 1 Aug 94

[Text] Bolivian Vice President Victor Hugo Cardenas, who arrived in Chile at noon yesterday, will have a tight agenda today.

Among other things, he will be in charge of inaugurating the Bolivian cultural week in Chile.

Cardenas, who is the first Aymara indigenous to be elected vice president, is the first Bolivian vice president to visit our country.

It is hoped his visit will strengthen ties between the two countries and help overcome the mistrust that historically marks Chilean-Bolivian relations.

Cardenas will meet with ministers of state and President Eduardo Frei. At 1900 he will open the Bolivian cultural week at Mapocho Station.

Colombia

Foreign Minister, Haitian Ambassador on Possible Invasion

PA0108193394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 1 Aug 94

[From the "National Newscast"]

[Excerpts] The United Nations has approved an invasion of Haiti, and the Colombian Government is expected to announce its position today. Foreign Minister Noemi Sanin, however, in a very diplomatic response, avoided saying whether the country supports military intervention.

[Begin recording] [Unidentified reporter] This was the final Council of Ministers meeting of the Gaviria administration. Colombia's position on an invasion of Haiti was among the main issues discussed. The Colombian foreign minister had this to say:

[Sanin] Colombia is on the side of democracy in Haiti, as it is in every other country. We urge Haiti's de facto authorities to give their people a chance. [end recording] [passage omitted]

In light of a possible U.S. invasion of Haiti, we consulted the island's ambassador to Colombia, who hopes that the military leaders will leave the country to avert the use of force:

[Begin Haitian Ambassador Frantz Romulus recording] The civilian population of Haiti is calm. Even after the announcement of the UN Security Council's decision, people are going about their normal activities—at least those activities the military is allowing them to carry out.

We hope there will be no confrontation. Moreover, we hope that there will be no need for an invasion, because in the wake of this threat—it is possible, and we hope it happens—the military leaders might listen to reason and abandon the power they usurped and, in turn, facilitate the return of democracy. [end recording]

Governments Call for Peaceful Haitian Solution

PA0108210594 Hamburg DPA in Spanish 1858 GMT 1 Aug 94

[Text] Santa Fe de Bogota, 1 Aug (DPA)—The outgoing and incoming governments of Colombia called for a peaceful solution to the critical situation in Haiti today and stated the hope the de facto Haitian Government will permit the return of President Jean-Bertrand Aristide before a possible military invasion takes place.

President Cesar Gaviria's government, through Foreign Minister Noemi Sanin, stated "there is still time for a political and diplomatic negotiation" to get the de facto regime to facilitate Aristide's return "in a gesture of generosity and responsibility."

Meanwhile, Rodrigo Pardo, who will be foreign minister in President-elect Ernesto Samper's government beginning 7 August, said the incoming administration shares Gaviria's position on this issue.

"We prefer peaceful solutions, but we are hoping, at the same time, for Aristide's return," Pardo said, noting the UN Security Council's consent to allow a multinational force to restore democracy in that country could spur the Haitian dictatorial government to "reconsider."

Narino House (the seat of government) spokesmen have said Foreign Minister Sanin and her successor will meet to talk about the matter in the next few hours and to issue a statement on the official position of the outgoing and incoming governments.

Column Extends 'Best Wishes' to U.S. Ambassador

PA0208010494 Santa Fe de Bogota EL TIEMPO in Spanish 29 Jul 94 p A-4

[From the "Today's Happenings" column]

[Excerpts] We have great hope in the diplomatic efforts of U.S. Ambassador Myles Frechette. In addition to having expertise in commercial cooperation and the antinarcotics struggle in Colombian-U.S. relations, he has a flawless command of the Spanish language and professes great affection for our country, as has been demonstrated very cordially in his first statements to reporters. [passage omitted]

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We celebrate this disposition: We join the voices that welcome Ambassador Frechette and extend to him our sincere, best wishes on his mission.

Peru

Fujimori Deciding What 'Changes State Apparatus Needs'

PY0108194394 Lima Radio Programas del Peru Network in Spanish 1800 GMT 1 Aug 94

[Text] President Alberto Fujimori spent this morning working privately. The president has been reading and assessing the reports submitted to him by the various ministries. As is a matter of public knowledge, before 28 July all cabinet members, headed by Minister Efrain Goldenberg, tendered their resignation. For this reason, the president of the Republic is deciding what changes the state apparatus needs. Officially, however, it has not been disclosed whether any minister will be replaced.

Last weekend, President Fujimori visited Puno Department, where he stopped at the towns of Taquili and Amantani to encourage tourism in the zone. He also participated in the closure of the national alpaca and vicuna breeders' fair.

Fujimori State of Nation Address

PY2907175594 Lima Panamericana Television Network in Spanish 1620 GMT 28 Jul 94

[State of the nation address by President Alberto Fujimori on the 173d anniversary of Peruvian independence and the opening of Congress, from the Congress building in Lima—live]

[Text] Mr. President of the Democratic Constituent Congress [CCD] Jaime Yoshiyama Tanaka, Messrs. members of Congress, Messrs. ministers, Peruvian citizens:

On the 173d anniversary of our independence we also recall the fourth year of the national reconstruction process, and the almost unprecedented collective effort in the country's history. Most Peruvians can verify that we have obtained significant results, and they can also confirm that we are on the right path. Proof of this is the fact that for the first time after a long period, we are in a position to deliver a presidential message without spectacular or traumatic measures. These spectacular announcements, which were known as major economic packages, obviously meant bad news for the people and hit the headlines the next day. We will not read that type of headlines tomorrow because the results of the past 12 months and, in general, of the past four years are positive. This is good news for the Peruvian people. Another piece of good news is the radical changes the Peruvian education system is experiencing. For the past few decades instead of action in education we have heard repetitive messages—many times disguised as debates or highly philosophical theories—that ignored the sad reality of the schoolchildren and teachers in the neglected Peruvian neighborhoods and shantytowns.

This is why I set some goals. I first decided we should build one school per week. We then set higher goals until we were building one school per day. [applause] At the beginning people thought this was sheer demagoguery and unfeasible. But we will not stop at one school per day. By the year 1995 Peru must be able to build three schools per day. In 1996 we must set another ambitious but also feasible goal, that is, to build five schools per day until we have completed the school infrastructure the country needs within three years.

People now believe that the goals established by the government will be fulfilled and are convinced that a campaign to improve Peruvian education must be headed by the president of the Republic himself. Happily I feel strong and enjoy good enough health to continue my working visits to all parts of the country. [applause]

We now have a good number of educational centers in adequate condition and have begur a program to initially equip 5,000 educational centers. This means equipment for almost 20 percent of all centers and I estimate that if we continue with a more intensive program we will, in the following two years, equip all educational centers at the national level.

The program includes equipment, files, laboratories for physics and biology, books, and the well-known computers—which I can see are already being used here [laughs]—so that our self-sacrificing teachers may have the necessary implements for teaching. There is no reason why Peru should not to go from traditional education to technological education [short break in reception] The leap forward from the era of pencils to the era of computers is feasible. It has already been proven in several modern schools in San Juan de Lurigancho or in Villa El Salvador.

Training has been well received and by late this year we expect to extend the training to the use of computers by establishing specialized centers for teachers. In every educational center I visit—new or old—I always find the same virtue in our teachers: their spiritual drive, enthusiasm, and optimism for the future of education and the country. These qualities are the great guarantee for the success of educational modernization. This has stimulated me even more in this objective, and I convey my sincere, and permanent esteem to them.

During the referendum campaign a great lie was disseminated—please excuse my frankness—for obviously political reasons. It was shamelessly said that free education would be eliminated. Fellow countrymen, time and facts are showing that this was absolutely false. This government wants, and will continue, to really improve education by keeping education completely free. But free education will no longer be education with pencils but in decent and dignified schools. It will be free education with equipment, with educational materials. It will be, if

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you will excuse the expression, even more free in other aspects [applause] because there are now educational programs to provide, for example, clothing and shoes for poor students. The campaign that stated that free education would be eliminated was not true.

My government is based on the premise that the resources appropriated for health should not be considered as spending but as an investment because the most valuable capital in the country is the human capital. Although public health services are still insufficient, they have been greatly improved. Regarding the prevention of illness, the best vaccination coverage level has been reached. To prevent tuberculosis, an intensive campaign has begun to detect people with respiratory problems. This allowed us to increase control and tests on these patients from 30 percent in 1991 to an average of 85 percent in 1993.

The Health Ministry also guarantees 100 percent free diagnosis and treatment of tuberculosis for those affected with this disease. The cholera epidemic and the diarrheic diseases in general are under control.

Between August 1993 and July 1994 we implemented a program for the renovation of health services with the support of the Inter-American Development Bank, IDB, and the Japanese Government for a total of $98 million. This year this money will go to the most needy hospitals, health posts, and health centers.

We are making an important effort to improve the quality and access of health services through better social spending, focusing on the health sector. This program was originally launched in the poorest sectors of Apurimac, Ayacucho, Cuzco, Puno, and Huancavelica, and it will later be expanded at the national level. To this effect, we have approved a budget of 85 million soles.

Within the framework of this program, Foncodes [National Compensation and Social Development Fund] is providing 48 million new soles to finance the expansion, reconditioning, and construction of new health posts in rural areas and extreme poverty urban areas.

Like in education, health workers are key elements in the granting of essential uninterrupted service to the people despite the crisis. Through the unselfish work of nurses, midwives, physicians, and paramedics, we can offer health services to the most needy social groups.

I have personally witnessed this in my many visits to hospitals and health centers. I wish to extend them my eternal gratitude and wholehearted recognition for their task.

The needs in the health sector are many. We have done the impossible to equip health centers with essential equipment. Now that we have more resources to distribute, we will massively reinforce the equipment and medicine provision program.

Within the framework of the Education for Life program, in addition to offering literacy programs to many mothers from low-income sectors—which is another facet of poverty—we will offer them child care programs. This will be achieved through education and literacy programs.

A few days ago, during a moving ceremony at the Golden Room of Government House, I met with a group of mountain peasant community leaders who brought with them a couple of beautiful vicunas. During this ceremony we signed a contract for the utilization of vicuna wool for a total of $1.3 million that will benefit 240 communities. It is hoped that, in the next few years, the marketing of vicuna wool will generate up to $10 million per year. [applause]

The signing of this contract was the culmination of a battle the Andean peasant communities have waged for decades against well-known economic interests which impeded them from obtaining any profit from this natural resource.

Let us view another example: The sugar industry. Sugar cooperatives have suffered at the hands of all past administrations. Despite beautiful and heartfelt speeches, their capital was drained through the price of sugar and disloyal competition from imported and subsidized sugar. This is the cause of the serious crisis affecting sugar cooperatives.

The resolute defense of national agriculture production through flexible customs surcharges has helped to avoid the collapse of Peruvian agriculture. We will continue to enforce these measures until the countries from where we import agriculture products lift the huge indirect subsidies they grant to their exports.

My administration's agriculture policy is already showing the benefits. The agriculture sector grew by 6 percent in 1993. Production increased by 15 percent in the first half of 1994. It is hoped that by the end of 1994 the average agricultural growth will exceed 12 percent.

In some items, such as with rice, we even had a surplus. My government, in support of rice producers, is buying the small farmers' production through Pronaa [National Food Assistance Program] to maintain a reasonable wholesale price, and thus be able to continue implementing the social aid programs with food purchased from our own farmers.

The Andean communities need rural roads to sell their goods. This is why the government is improving the main access roads, and as of October, within the framework of a World Bank investment program, will invest an additional $40 million in repairing and building rural roads in several departments.

Since 1993 Peru has again been the main fish producer in the world. We can proudly say that nobody produces more fish than Peru. It will be the same in 1994, not only due to the abundant fish we have, but namely because of

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the technical and scientific administration. The open management of sea resources has resulted in an impressive income never obtained in the past. This is why we have implemented a bidding system for some available sea resources, such as gigantic squid. In the past a fishing permit was obtained through the mere payment of an insignificant fee. Now the government sets a basic price per metric ton of catch, and then calls an international bid. Whoever makes the highest bid wins. We thus safeguard Peru's interests and obtain greater resources. Through this mechanism my government, so far, has obtained $70 million for the fishing of giant squid. But what is more important still, is that we have got rid of blanket permits [parquetazos], so common in the past. A clear and open management is the key of the success in the fishing field. [applause]

I, for example, have gone fishing with private fishermen in Cabo Blanco. But to get to the ship I had to take an unsafe ferry, due to the lack of docks. Now, however, in Cabo Blanco, Mancora, Supe, and all along the coastline, we are helping the private fishermen with adequate fishing terminals that even have their own ice factories. We must continue implementing this integral aid program for the private fisherman by also giving them refrigerated trucks so they may sell their products themselves, thus avoiding the need for middle men, and increasing their income.

The Peruvian economy today is experiencing a record growth in all of Latin America, no, I am sorry, in all of America. And the reason for such a spectacular turnabout is the responsible application of a totally technical coherent economic program. The growth of the GDP during this six-month period amounted to 12.5 percent in comparison with the same six-month period in 1993. Therefore, it is quite likely that we will again experience the greatest growth in the region. Gentlemen, don't you think this is really encouraging? [applause]

Incredibly, some groups who want to see Peru continue to be poor and backward say, with maliciousness but also with naivete, that our country still has a bad image abroad. And I ask myself, and the people also ask themselves: Why is it, if this is true, that there are so many tourists? Why is it that Peru is being covered by specialized magazines, the large international organizations, and the investment circles? Would these circles risk hundreds of million of dollars in a country with a bad image?

I can prudently say that investment is so large that I can assert it is going to give a strong impetus to the generation of jobs. The electoral promises of millions of jobs that normally end up in a fiasco are already out of style. [applause] Everyone knows jobs are created as the economy of a country is consolidated and as long as there is massive investment, which is something that is occurring at this moment. If the economy followed this process of reorganization it is because a strict fiscal balance was implemented. This government does not spend more than what it has or receives, because if it spends more, I repeat, it would have to print money.

I borrowed from the BCR [Central Reserve Bank] a package of 1,000 bills of 10 intis each. I have it right here with me. Thank you, Mr. President of the BCR. Let me show it. These bills were issued during the previous administration, and this is to show the millions of Peruvians watching over the entire country, and especially the younger ones, so they can have an idea of what hyperinflation is. I have here 1,000 bills of ten intis each. Students sometimes hear the term hyperinflation but have no idea of what it means. Hyperinflation is a process, it is an illness of the economy resulting from bad government, thanks to which pretty bills that are worth nothing, and are more expensive to make than they are worth, go into circulation. And one should see how these bills were fabricated, with the well-known little machine. It was crazy. When a salary increase was promised, the little machine was put to work. We no longer fabricate bills to pay salaries. [applause]

The government pays with bills that have real backing, not with these bills [applause] and look, don't even pick them up, because the 1,000 bills of 10 intis each, these bills of 10 intis are now worth one cent, they are worth one cent. [shouts, applause, cheers] And this was the greatest insult to teachers, nurses, and all the public workers. There are in the warehouses of the BCR 800,000 bills of so-called intis, and their current total value is eight new soles, and if you place them next to one another you can get 80 km of bills worth eight new soles. Young countrymen, this is the hyperinflation we defeated. [applause, cheers]

I know some dislike this explanation, but it is necessary to remind Peruvians what hyperinflation was like. This kind of fiscal management must be definitely eradicated from Peru. [indistinct shouts]

You cannot tinker with the economy. You cannot tinker with the destiny of Peruvians, particularly with the future of our youths.

In view of all this we are making great efforts to ensure that this year inflation rate will not be 50 percent per month, as it was during the previous administration, but lower than 20 percent. We are making efforts to ensure that by 1995 the inflation rate will total less than 10 percent per year. By July of this year [applause] the inflation rate will total only 0.9 percent. We can achieve this because we are not lesser than the developed countries. [applause]

When I assumed power, the Central Reserve Bank vaults were filled with these worthless bills [shows a pack of bills]. This pack of bills was worth nothing. It was worth a few cents. There was not a single dollar's worth.

Today we have sufficient international reserves to back our currency. To achieve this goal we have implemented the so-called stability program, which is part of the

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economic program and which was possible because, in addition to the sacrifices made by the Peruvian people, we enjoy the IMF's support.

When people say this administration is pro-IMF, they should not believe this is interpreted as an insult. I repeat, they should not believe this is an insult. Let me tell you that I do not deny this, because all the countries in the world, including the PRC, Vietnam, and even Russia, seek the IMF's support. Not all of them enjoy this support, however.

Why not enjoy the IMF's support, if this support is tantamount to gaining access to crucially needed credits?

The so-called letter of intent that was recently approved by the IMF is nothing more than the IMF's support for Peru's economic program. In fact, we now have access to all the credits offered by development banks, such as the IDB, the World Bank, and the main support countries.

It is not true that the economic program approved by the IMF undermines social interests. Quite the contrary, through the IMF's support we have approved something that is essential in order to achieve social development: the medium-term program to fight poverty.

In the short term we are planning to undertake actions to fight poverty, with the intention of paving the way for the implementation of the medium-term program.

It is within this framework that FONCODES is implementing intense nutritional programs, building infrastructure, and granting minimum health care through hundreds of small programs that generate thousands of jobs. In addition, and in a carefully synchronized plan, other government organizations are implementing national programs that seek to improve the infrastructure of basic services and combat malnutrition.

A good example is the Shantytowns Integral Development Program implemented by Fonavi [National Housing Fund] at the nationwide level. This is a clear example of the specific progress we have achieved on the basis of our genuine knowledge of the poverty situation affecting the country.

We have provided 2 million Peruvians with basic water, sewage, and electricity services. This is why, now that we enjoy peace and investment, the government's priority is the implementation of this medium-term program to fight poverty. This program is backed by the IMF, the IDB, and the World Bank. Due to its importance, this program must be led personally by the president of the Republic. [applause]

To achieve success, institutional efficiency is essential, especially effective use of resources. We must gradually but systematically build a modern and effective organization, as are (?Infes) and Fonavi, and this must also be the objective of the entire state apparatus, including the regional and local governments.

With the achievements in the economy and security fields and the greater inflow of investments, we are in a condition to successfully implement these short and medium-term programs to fight poverty.

Two years ago the government was pressured from all sides, even by the media, to hastily sell public enterprises. I particularly was against this hasty decision, because in the midst of the climate of violence in which we lived we would have had to give the enterprises away. I think time has proven I was right. I have waited to attain security and the necessary climate to attract investment to sell the main public enterprises, most of which were in the red.

It is well worth recalling that Hierroperu [Peruvian Iron Mines Enterprises] was sold for $120 million when, in 1990, nobody would give a cent for it, not even these worthless cents; that 60 percent, not 100 percent, of Electrolima [Lima Electric Power Enterprise] were sold for $388 million; and that 49 percent of the state-owned shares of Cementolima [Lima Cement Factory] were sold for $103 million. Each of these auctions of public enterprises was based on a strategy designed to obtain the best price amidst great honesty. The sale prices are startling. What is more, the $2.2 billion obtained for 35 percent, I repeat, 35 percent of state-owned shares of Entel [National Telecommunications Enterprise] hit international headlines. The auction of Entel-CPT [Peruvian Telephone Company] was the fifth of the 10 most important auctions in the world this year. It was the most important in Latin America, the auction involving the largest amount of money. [applause]

The privatization process must continue along this same line, that is, with the best sales conditions for Peru. I can honestly tell the country that this entire process has been greatly successful. Therefore, I wish to express the country's gratitude to each and every member of Copri [Commission for Promotion of Private Investment] and the special privatization committees.

Why sell, for example, the La Pampilla refinery, or the Talara refinery? To answer this question, we have to tell you some true stories.

As everyone knows, the losses of public companies totaled hundreds of millions of dollars per year. Who paid for these bills? The government? The president? The legislators? No. It was paid by the people.

To cover these huge losses they resorted to moneys that should have been allotted to schools, roads, and health centers. This is how these losses were covered.

Moreover, these companies were potential foci of corruption. For example, it was no secret that the cost of spare parts for an industrial plant was twice or three times their true value. This is because they were bad suppliers, and there were bad employees who enriched themselves at the people's expense.

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There is another good justification for privatizing. All these public companies need strong investments to work effectively, without losses and in order to generate jobs. I repeat: What was Hierroperu; what was Aeroperu [Peruvian State Airlines]? Were they not pieces of scrap metal falling apart, except that when the Aeroperu scrap fell apart it meant it was dropping from 10,000 meters high, because its planes were I do not know how many decades old?

Do you know, my fellow Peruvians, how much Aeroperu lost in 1992? A mere $20 million. Do you know how punctual its flights were? Let met tell you about a personal experience.

Once I had a Huanuco-Lima ticket. This was about 1987. The flight was scheduled for 1400. Later, I was told the flight was scheduled for 1500, for 1600, for 1700, for 1715, for 1730, etc. By 1800 we were told the flight was canceled. Because I could not wait, I decided to take a four-wheel-drive truck, and at my own risk cross [name indistinct], Cerro de Pasco, La Horoya. If I am here today, it is because Shining Path decided not to commit any assassinations that night.

Why sell the Peruvian Telephone Company, which was functioning fairly well? Did it? Let me remind you that in order to install a telephone line we had to bribe. Excuse me for the expression, but this is the truth. We had to bribe some dishonest telephone company employee with $2,500. Is that true or not?

Don't blush, but that is how it was. [laughs, chuckles from audience] That is how service companies worked in Peru at the time. In view of this, isolated towns never dreamed of having access to a telephone communications system. This is why the government sold 20 percent of its CPT stocks at the prices you already know. Is this what people label ultra-neoliberalism? Ultra-neoliberalism? If we avoid deficits, are we implementing an ultra-neoliberal policy? Ultra-neoliberalism? Can we label savage liberalism the impoverishment of public companies?

What we are doing is mixing pragmatism and market economy. The remainder is just phrases—mere phrases; only phrases. Let us not overlook the fact that we are about to begin an election period. [applause]

Industry is now going through a very dynamic period, with the objective of consolidating efficient and competitive industries in order to ensure their growth and permanence in the market. As a result of this process, some productive sectors are beginning to move toward the foreign market.

The slow but healthy recovery of economic activity in general, and especially of the manufacturing productive sectors, should be pointed out. During 1993 this activity increased 9 percent in relation to 1992. And during the period from January to May 1994, the levels of industrial production increased by approximately 15 percent in relation to the same period in 1993.

The installed capacity of industry has increased by nine percent in relation to 1993. The most important thing is that its means a growth of the productive activity without the direct intervention of the state, thus leaving behind recession once and for all.

Of course, there are many things remaining to be improved—for example, the costs affecting the productive sector related to tax and financial matters. The financial aspect is being overcome gradually. We must also admit that the high cost created by terrorism has been decreasing significantly with the reduction of this criminal activity. Regarding smuggling, under evaluation, and forgery, the government is working in coordination with various sectors and institutions to carry out several actions to counteract those activities. It is estimated, however, that smuggling is still at the level of $400 million, representing a loss to the government of approximately $100 million. Our goal is certainly to fight it aggressively.

After fruitful negotiations Peru has returned to the Andean Group under more equal conditions, after overcoming the serious distortions created by the differences in the macroeconomic policies of the other members.

The government's social support programs are oriented at helping the micro and small industries, because they are part of more than 90 percent of the industrial establishment and because of their importance in creating jobs. The government will therefore continue with the massive social program of purchases, such as the 1 million track suits, 1 million shoes and sandals, 1 million folders, and a few million books. My government will maintain this type of program on a permanent basis so as to support the small producers, and at the same time satisfy the needs, for example, of the educational sector. And the government will extend this program to other branches, such as processed products in the agriculture, fishing, and metal parts sectors. Regarding the latter, we will begin the program of 1 million hoes—but made of tempered steel and not gold, for show—to bring this essential implement to the peasants. [applause]

Moreover, it is for all the world to see that the national pacification has enabled a significant recovery in Peruvian arts and crafts. One need only walk along the streets of Cusco or Puno, talk with artisans and shopkeepers, and draw one's own conclusions. Everybody is of one mind about the fact that the boom in tourism brings about a great demand for handicrafts.

On one occasion, my son Kenjio and I were wading across a stream in the jungle, admiring the beauty of the tropical forest. Later on Kenjio decided to go fishing, and despite having recourse to all his knowledge about fishing, he could not catch a single fish. With the characteristic intuition of a child, he tasted the water of this jungle stream. And imagine his surprise upon noting

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that the water tasted salty. We then learned that native inhabitants of the region did not take their water from the river, but used wells instead. The river, which from time immemorial had teemed with fish that served as man's food, was a dead river, and its water was also unfit for human consumption.

This is a dramatic example of environmental pollution, which my son discovered just by chance. Now if this were reproduced on a larger scale it would be a veritable calamity. Peru is a country that has been lavishly endowed, and we have to cherish it. This is why it is indispensable to draw up an environmental code, in order to have an effective tool against environmental destruction and pollution.

With regard to tourism—as in nearly all issues—we do not need to make either grandiloquent speeches nor propaganda, or even appear on television. In the area of domestic tourism, suffice it to mention the experience of a whole generation of youngsters, who for nearly a decade preferred not to know about our historic and cultural heritage. This is something you already know. Places so close to our hearts as Cajamarca, Ayacucho, Cusco, Puno, were well beyond anybody's reach due to the climate of insecurity prevalent at that time. Not even Lima residents could visit the magnificent city of Huancayo, and even less spend a quiet weekend enjoying the sun. Still less to drive to Huacho or Pisco. Today senior students are not so enthusisatic about traveling to Miami or Santiago when they graduate. Now they democratically choose places like Cusco, Cajamarca, or Puno. And I ask you gentlemen, is there a difference or not in this respect? How many daily flights bound for Cusco were there during the previous administration? Two. How many flights are there now? Eight, eight flights per day [applause] in which an average of 600 foreign tourists travel per day, and I repeat, per day and not per year.

In the past we had three flights a week to Puno. Three in a week. Take note of this. Today we have four flights per day. We had three flights a week to Ayacucho, and only in those cases when there were flights, if Aeroperu wanted to go. Today there are four flights a day to Ayacucho. I know some people do not like these figures. But most Peruvians are very happy with this tourist activity. [laughter, applause] In one more year we should have for sure—listen to this, dear fellow Peruvians—we should see the arrival of 500,000 tourists in the country. Record of records. Tourists coming to the country where until two years ago only the Shining Path and the MRTA [Tupac Amaru Revolutionary Movement] reigned. This is what change means. Do you know—according to some enthusiastic friends—what is this called? Fuj... No, just a minute, no, no. [laughter, applause] This is called Fujimorism, with Fujimori. [jeers, cheers, applause]

No one wanted to give a dollar for Peruvian mine companies in 1990. Mining companies were not willing to invest in mining, despite the fact that Peru was one of the richest countries in the world. The nation remembers this. I think the nation remembers it because Peruvians today have very good memories. No one will deceive us any longer. Well, Peru in 1994 is a center of attraction for large mining investors. Never before, during any period of our history, have investors shown so much interest in mining exploration and exploitation.

We are experiencing a true mining boom. Very soon this industry will recover first place in the national economy. In the past we did not have private investment in mining concerns. Public mining companies were in a catastrophic state. Catastrophic. Just remember the deficits of (Petrominperu), (Ciminaia), Hierroperu, just to mention three cases. Dear fellow Peruvians, we are working in each area—I will say this again—with a national strategy, avoiding egotistical interests or bribes from blocking the country's development.

Some astonished foreign investors were heard talking in the Mines and Energy Ministry corridors. They said—I have the quote here in English, but I am going to translate it—I have not paid any bribes in order to meet the legal requirements, strange, is it not? They said it in English. Yes, honorable congressmen. Today some foreigners are surprised at the extent of change in the Peruvian public administration. I say this even though it sounds like a lie. It seems that honesty is contagious.

Speaking about contagious honesty, we hope this disease will extend to all state organizations. At the speed we are going today, mining production will double by the end of the century. At this speed we will recover our condition as the leading mining country in the world. Today we are in second place in gold production in Latin America.

Many, including members of Congress, if you don't mind me saying, may wonder where the hydroelectric plants (Mullolapelota) [applause], (Cactus), and the Cachimayo-Abancay-Andahuaylas-Uripa-Chincheros transmission line are located. These are very important works that will change the situation in each and every one of those areas.

For the 1994-95 period we plan to install 1,000 km of electricity lines. One thousand kilometers of electricity lines. Here again I wish to make concrete proposals to the country, without colorful speeches or magic formulas. Just as with as our target to build three schools per day in 1995, I propose installing 1,500 km of electricity lines per year. Mines and Energy Minister, please take note of this proposal to install 1,500 km of electricity lines per year. [applause]

Does the name San Gaban ring a bell? It does to Puno inhabitants. This will be the site for a magnificent hydroelectric plant that will allow for the definite electrification and consequent development of Puno and neighboring areas. [applause]

San Gaban will not be the only one. We will build two hydroelectric plants, each of which will generate approximately 180 megawatts, in Juncal and (Maios).

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Just one more question. Tell me why Lima no longer suffers the acute power shortage of the past. Why do those of you who live in apartment buildings no longer have to climb the stairs? The answer is quite simple: This government has repaired the high tension lines that were attacked and damaged by terrorists, and abandoned—yes, I said abandoned—such as the Tablachaca-Pisco transmission line. This line has been fully repaired. In addition, we have not allowed terrorists to continue blowing up high tension pylons whenever they wish.

Neither must we forget the Ventanilla thermoelectric plant installed last year, which supplies electricity at peak hours.

But the electrification program is not designed for Lima alone. With the support of the Japanese Government we have reopened or are in the process of reopening 30 mini-electricity plants in the interior, such as the one in (Shumbao)—sorry, the one in Huancabamba and Canchaque—and we will continue to implement this program.

I want to mention a government anecdote: We have unpacked several turbines that had been stored away for more than 15 years. How many administrations, different administrations, came to power during that time? The turbines had been stored for more than 15 years. They are true sleeping beauties, which will allow this government to set up other mini-electricity plants, such as the (Shumbao) plant in Apurimac, (Shalguamayo) in Satipo, and (Otayabamba) in La Libertad. The decision to refurbish the thermoelectrical plants was necessary, and was adopted parallel to the implementation of new projects.

The national electrification program for 1994 provides for the acquirement and installation of 120 thermoelectrical generators, which have already arrived in Peru, as well as a similar number to arrive throughout the year. Four of these generators have a power of 2,350 kilowatts, and are being installed in Las Mercedes in Tumbes, Tarapoto, in San Martin, by this government.

But in face of the great electrical demand that is still unfulfilled—taking into account that the percentage of the country's population that receives electricity is only 43 percent—the government is planning to purchase new electrical units. This electrification program requires an investment of 340 million new soles, to expand electricity. All or almost all of this is done with funds from the Treasury.

How is it possible to invest so much in times of crisis? How can 340 million new soles go here, 120 million new soles there? This is because we are using the master key: honesty in managing the people's money. [applause]

Another indication of the economic recovery is the domestic consumption of hydrocarbons, which has reached 120,000 barrels per day on average. If this continues it will be the highest average daily consumption of the last five years. Regarding the oil sector, in addition to the complicated problems derived from the expropriation of the Delco Company and the nonfulfillment of the contract with (Yapeco) for the construction of the oil pipeline, we run into other surprises—the inheritance of liabilities to be paid. It is not from the previous administration.

What happened is that in 1974—don't worry, I am talking about 1974 [laughs]—the installations of a German oil company, which was suing for a payment of $25 million, were expropriated. The government on that occasion simply did not pay, and the following governments did not want to take over this commitment. But the debt continued to grow and grow, until the final sentence was handed down by the Supreme Court: Pay $25 million, and in addition $110 million in interest. This was without any doubt a debt that could not be paid. We negotiated with that firm, Industry Minister Canale did, and we reached a very reasonable agreement to pay the $25 million and reduce the interest from $110 million to $30 million, which will be paid in four installments. And this is how we are paving the way for the normalization of our economic relations with Germany. [applause] I do not expect to find any more inheritances like this one in the last year of my administration.

The signing of the evaluation agreement on the commercial potential of the Camisea natural gas deposits between Petroperu and Shell, as well as the signing of the technical evaluation agreement with Mobil Oil on the Madre de Dios basin, will serve to soon define the possibilities for developing these energy projects, for the benefit of the regions and the country, and for signing contracts for their exploitation.

Transportation. Traveling from Lima to Huancayo was an ordeal, to say the least, taking into account that the distance is just over 300 km. In the past this trip took seven hours, with the risk that a terrorist might intercept the bus or truck. The trip now takes only five hours on a highway that lets you see the beauty of the countryside. This is an example of the changes seen on the highways. We are doing the same thing with the Panamericana highway along a length of 3,000 km—that is right, gentlemen, 3,000 km—from Tumbes to Tacna, which will be ready in 1995. [applause]

Some road stretches will be greatly improved, such as the famous (Pasamayo). Our friends, truck drivers and bus passengers, will enjoy it. When you travel through the Panamerican and the Central Highway, my dear fellow Peruvians, think about the importance of reinserting Peru into the international financial community. The Panamerican Highway has been rebuilt with money provided by the IDB and the Treasury.

By the way, road builders are working day and night, so much so that their equipment is barely adequate. I am a

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tireless traveler. I never tire. I usually fly a small helicopter when I want to visit towns that are in faraway corners and literally isolated from the rest of Peru, such as Selembin, (Cuterbo), (Chote) in Cajamarca, Acobanba in Huancabelica, (Ocuchibambiei), and Tambobamba in Apurimac. Whenever I ask local inhabitants what they need, they answer in a chorus: roads, roads. My answer has always been: I will send you the machines in six months. This is why we purchase machinery. We will continue purchasing even though we are doing so against the opinion of some interested people. We will continue doing so, because if the state cannot enter with machinery into those isolated places, who will? Is this called neoliberalism? Some people will even call it liberalism at any cost.

Ask the people, for instance in (Siguas), (Guari), (Aija), (Chiquian), (Contumasa), Santa Cruz, (Chota), (Cutero), or (Huamachucu), or in any other town that has received or will receive machinery. [applause]

I suppose that those who oppose the government will also agree. For the first time we have a consistent policy on highway development to help towns in distant corners of the country. Our development plans today include names that are unknown by most Peruvians, such as (Pampano), (Ticrapo), (Cuaitara), and (Vilcashumamano). This is why we purchase machinery on a massive scale. As a consequence, today we have more bulldozers than ranches. The latest purchase totaled $30 million. The next will be worth $32 million. And if time permits, our next purchase will be worth $50 million. Towns in Peru will stop being forgotten, isolated, and backwards, for they will have good roads. [applause]

Here I want to make special mention of the Army Engineering Battalions, whose members have risked their lives to take peace and development to many forgotten towns. In two years some highways in the Sierra region will also be paved. Who would ever have thought about paving roads in the Sierra region, for instance, from Huancavelica to (Ituchaca); Cusco to (Avancaicha), (Huanca), (Puquio), (Nasca); or Juliapa to Arequipa. Paved roads, gentlemen.

We reached the goal of 8,400 km in road maintenance and repair. I must stress the support of the World Bank in transportation. Their support will allow us to pave the roads linking Huanco-Tingo Maria, (Tarma)-La Merced-Satipo, Corral Quemado-Rioja-Moyobamba- Tarapoto. They will all be paved, I repeat this. [applause]

I wish to point out that we now have a farsighted state. The government no longer only builds, not to say dedicates, because this word may cause some unrest [laughter], bridges such as the one in Picota, Parinas, Tinco, Calapuja, Huachipa, Secse. We not only build bridges, we also acquire to have a stock in cases of emergencies. The purchase of these bridges represents an investment of 42 million soles.

The Charapas community is the most greatful Peruvian community for airfields because they pull them out of isolation. Guepi and Estrecho, located on the Putumayo river bank, will soon follow the example of Puerto Esperanza and Atalaya. Creativity rather than financial investments has been used in many airports. Consequently, the service and facilities have improved at the Lima-Callao Jorge Chaves Airport, at Chiclayo, Ayacucho, and Cusco airports. In the case of Cusco Airport, this was possible because we stopped hairsplitting and once and for all got rid of the famous (Santuqui) hill, which all Cusco inhabitants are well-acquainted with. That, in addition to the complete reconstruction of its landing strip, will allow Cusco to receive 1,200 foreign tourists per day next year. I repeat: 1,200 tourists will visit Cusco per day. [applause]

Thanks to a coherent telecommunications policy, one of the pillars of Peru's modernization, we have signed a deal that will represent a great step forward in this field. The project provides for expanding by almost one million new lines the Peruvian telecommunication system during the next five years.

The expansion of the telephone service is proof of the foreign investors' growing confidence. Equally important is the fact that almost 1,500 currently isolated towns with more than 500 inhabitants will have at least one common telephone central. As of September, that is, within two months' time, the new telephone company will install public telephone booths for two million shantytown inhabitants.

Construction is one of the fields of our economy that has grown most. Therefore, it is one of the engines of the reactivation process we are starting. Our construction policy has allowed this sector to grow by 30 percent during the first half of this year. Moreover, we are creating the necessary conditions for construction to continue expanding with the massive construction of housing facilities made possible with the reimplementation of the mortgage financing system, which is feasible because inflation has dropped. This, in the long term, will generate a growing number of job opportunities.

The justice sector has played a vital role in the strategy against terrorism. We no longer have prisons where chaos prevails such as the case in the Castro-Castro and Lurigancho prisons where, as in others, the Shining Path and the MRTA ruled.

Now we have true penitentiaries that have high security cells as well as an infrastructure that allows for the rehabilitation of the inmates.

We have the example of the refurbished Castro-Castro penitentiary, the modernized Lurigancho prison. There is also Yanamayo prison, which has been extricated from the neglect in which it lay for years. It is currently a modern penitentiary. I also want to mention the remodeling of (Quencor) in Cusco, Picsi in Trujillo, and Cachiche in Ica, and the new Cajamarca, Huaraz, Carquin prisons. We will soon open the prisons in La Merced, Pucallpa, Castilla, Callao, Huanuco, and Chimbote, among others.

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Peru will have the best penitentiary system in America, the best penitentiary system in America. [repeats himself] [applause] And we are not just boasting; we are being objective.

Every possible effort should be made to safeguard the citizens' security. I want to tell you an anecdote to keep you from falling asleep. During one of the many visits I have made to the interior, I met a very devoted Spanish nun in Satipo who was concerned over the living conditions of the inmates in that town. She took me to the Satipo prison to show me the deplorable conditions, and then asked me something she said she had already asked several previous presidents: To build a more humane prison on some property she had. I said I would do so and she, who has lived in Peru for many years, rather pessimistically answered: Mr. President, let's hope my request and hopes will come true this time. I wish to send my regards to that nun and tell her I have fulfilled my promise. [applause]

For the first time in Peru we have regulated union rights, collective bargaining agreements, and strikes in full upholdance of union freedom principles contained in international regulations. In line with these principles, we have limited the intervention of the state and encouraged collective bargaining agreements, safeguarded the autonomy of the parties involved, established arbitration boards as a new mechanism for the solving of disputes, and democratized the right to strike by guaranteeing a just balance between this right and other fundamental rights such as life, health, and the security of citizens.

A specific case that generated some economic and human concern was the claim submitted by the General Confederation of Peruvian Workers [CGTP] general secretariat before its U.S. counterpart. This claim caused a justified concern among small- and medium-sized exporters who operate in the U.S. market and, of course, among the workers of these small exporting companies. Fortunately, this kind of political maneuver did not prosper because Peru has not violated any international labor regulation.

Without any exaggeration, barring a few exceptions, Peruvians must be proud of our policemen. Despite inadequate salaries, risking their own lives, and being far away from their families, they risk everything. I have seen them working in the theater of operations, where you can feel the bullets buzzing and the terrorists' threats. This is where policemen are struggling so the rest of Peruvians may live in peace.

The police force has suffered 1,300 casualties, 1,900 were injured, 59 were left disabled, and there are 1,500 orphans. These are painful figures for the police force. This is still an unpaid debt that Peruvian society owes the police.

In the past, terrorism dared to corner and push back the forces of order. Police posts and precincts were abandoned by the hundreds in the mountain and jungle areas. Today the forces of order are recovering these posts step by step.

The first results of this effort and heroism have been made evident through the government's support with the supplying of more patrol units and air transportation means. We have acquired 2,000 cubic centimeter vehicles that will be adapted into patrol units at $7,600 each. Just in case, I want to add that these are brand-new vehicles delivered at the Callao Port. These prices speak for themselves and how we are handling the people's money. These prices are the best answer to slanderous biased campaigns launched by some media which seek to sow doubts about the openness of the acquisition process. Today, after these prices are known, we wonder about the true objective of these campaigns.

Now that terrorism is being defeated, the National Police are carrying out a massive retraining program in order to better fulfill their service to the community and the country. This program will give the police more efficiency and effectiveness in their harsh struggle against all kinds of crimes. [applause]

Therefore, I strongly reject the unjust criticisms against policemen and, I repeat, I am not denying there are exceptions, but as supreme commander of the Armed Forces and the National Police of Peru, in evidence of a fulfilled mission going to the limits of heroism, I give my support and confidence to these brave policemen. [applause] How easy it is from a comfortable position here in Lima to talk and criticize the military members who, in fulfilling their mission, go into the jungle to rescue, for example, the Ashaninka Indians or to open roads in places infected with terrorists. The charges against them that turn out to be false are unjust.

Many young officers and soldiers of our Armed Forces are fulfilling their duties. They are at an age of the sons of some critics who also have an opportunity to serve the nation but they are not serving because those critics as parents don't want their sons to run the risk of falling into the ambush of terrorists in the jungle. The regrettable and painful events of La Cantuta, which we condemned, have occurred. These types of events must never occur again. This isolated case, however, does not diminish the merit of our Armed Forces in fighting terrorism. [applause]

The Armed Forces and the National Police of Peru have, with honor and bloodshed, rescued Peru from the terrorist slaughter. The country owes permanent recognition to these heroic soldiers of the fatherland. I promised to put an end to terrorism in order to fulfill the pacification program we established. Many people believed this was a bold and unreal statement. It is true that the complete defeat of the internal enemy still remains to be achieved, but is there still someone in Peru who doubts we will win? The goals and deadlines are established to be fulfilled word by word,

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and I am fulfilling my commitments to the country. I am now establishing a new goal regarding the surrender under the repentance law of those terrorists who are still free. They have until 1 November to surrender. Otherwise, they will have to answer to the full force of the law and the laws of war. No other alternative than the complete defeat of the Shining Path and the MRTA [Tupac Amaru Revolutionary Movement] will be tolerated. [applause, cheers of reelection].

Having noted that the pacification of the country was the number one national objective, the antiterrorist strategy also encompassed foreign policy. For 12 years, terrorism was able to develop in Peru, among other reasons, because in addition to empathy, it was able to obtain financing abroad.

From 1980 to 1992, no international human rights organization ever denounced the serious human rights violations perpetrated by terrorist groups. While Peru was bleeding, I must assert that these international organizations never issued a resolution firmly or resolutely condemning these human right violations, as if the lives of the poor Peruvian peasants who were assassinated were worth nothing.

In view of this, I personally headed an intense international campaign to make people aware of the criminal nature of Shining Path and the MRTA [Tupac Amaru Revolutionary Movement]; to make people aware that they are not groups of a guerrilla nature. It was intense and patient work. It was painstaking and unrelenting work carried out at all times whenever there was an opportunity, either in international fora or during news conferences with the foreign press. In view of this campaign, my administration was accused of being authoritarian and of violating human rights.

In view of my conviction of the need to unmask these genocidal groups at the foreign level, I relentlessly continued promoting this campaign without dismay. Fortunately, in August 1992, UN Secretary General Butrus-Butrus Ghali categorically expressed his position and described Shining Path as a genocidal group.

This was a key battle won in favor of Peru because as of that time, the credibility of Shining Path and the MRTA began to dwindle. Moreover, their followers and agents abroad were treated as accomplices of genocide, and they started to lose their wrongly acquired political refugee status.

It is really quite amazing that for so long, no less than 12 years, successive Peruvian administrations and international organizations had kept quiet about the atrocities perpetrated by terrorism.

In addition to the genocidal aggression, we were also witnessing the economic destruction of the country, which impoverished the poor even further.

As a president who sought to achieve national reconstruction, I personally believed this issue constituted the basis of Peruvian foreign policy. We also had to abandon traditional diplomatic guidelines because all trade agreements and integration programs would have been worthless if Shining Path propaganda was not defeated. In other words, Peruvian foreign policy is based on our own reality.

Regarding other more traditional issues, we implemented a more audacious attitude and promoted the strengthening of ties with neighboring countries and several Latin American countries. Within this framework, we welcomed to Peru the presidents of Colombia, Bolivia, and Paraguay.

Fellow Peruvians:

In these past few years, we have forged a genuine national unity with the objective of achieving specific goals such as the streamlining of the economy, having access to international loans and donations, the pacification of the country, the modernization of education, the improvement of road conditions, the granting of economic support to the shantytown areas and the provinces. I believe that we have achieved a true national unity in all of these areas.

None of the fundamental national objectives that have been achieved would have been possible without the sacrifice and the categorical and majority support of the Peruvian people.

As a government leader, I never cease to learn from the people, never cease facing reality. This is why I constantly travel from corner to corner throughout this entire nation to learn from the peasants, the miners, the fishermen, and the shantytown dwellers.

How many lessons we can learn from the working men and women of this great country! This government began as independent and never gave up its independent position. This is why I never saw any difference between independent individuals, whether they are members of the APRA [American Popular Revolutionary Alliance], the PPC [Popular Christian Party] or the AP [Popular Action]. Some of the known members of these parties were even asked to hold high positions. My government has two ministers who are members of the APRA, one minister of the AP, two presidents of regional governments of the PPC.

We were born independent and remain independent. We only recognize backwardness, underdevelopment, poverty, and corruption as our real enemies. From the beginning of my 1990 electoral campaign under the slogan that we can live better, we reflected our aspiration and the aspiration of the Peruvian people to struggle for a better future of our children by working hard 365 days of the year. [applause]

Peru obviously did not begin with my government and will not end with it, but from 1990 we have corrected our historic direction. And we have been able to embark on an ambitious development project, which is a national

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aspiration. Under no circumstances can this effort be obstructed by interests or political conflicts. The organic electoral law was promulgated recently based on the proposals of the National Election Board to guarantee the transparency of the upcoming elections. These elections have a very large historic importance for our country because the people will have again the opportunity to freely decide their destiny, the country they want for the future.

I don't want to fail to make a public recognition of the effective task carried out by several government organizations because it shows the emergence of a more efficient state. I will not point out any names because there are many examplary cases which fortunately the people know about.

I have a commitment with Peru that was acquired under the dramatic circumstances experienced by the country in 1989 and 1990. I can assert without being arrogant that part of this commitment is being fulfilled. [applause]. Peruvians can now see again the streets free of the terrorist violence that caused so much destruction. [applause] The life of peasants who live in the far corners of the country are now beginning to flourish again with faith and hope. The red and white flag which was banished and humiliated by foreign interests and ideologies is flying again. [applause]

Just as Japan and Germany reemerged from the ruins of war, Peru also has the great possibility in the economic and social realm to become, in the short-term, thanks to God and to the heroic Peruvian people, the leader of Latin America after having been the penultimate country in the region. I am sure we will achieve that. Thank you very much. [applause]

Fujimori Delivers Speech on Independence Day

PY2907214694 Lima Panamericana Television Network in Spanish 1517 GMT 29 Jul 94

[Speech by President Alberto Fujimori on the occasion of the civilian and military parade held to commemorate Peru's 173d independence anniversary, on Brazil Avenue in Lima—live]

[Text] Fellow countrymen:

Today our hearts are again filled with genuine pride when, just as on every 29 July, we watch the triumphant parade of Peruvian soldiers.

This is the fatherland that lives and vibrates in the hearts of these brave defenders of our national sovereignty who, overcoming thousands of difficulties, are always willing to surrender their lives if necessary to fulfill their duty.

These are the men who are not subdued by hostile weather or fierce enemies, as has been well proven in the war on terrorism.

Thanks to their sacrifice, many a time above and beyond the call of duty, today the country is free from the threat of the demented criminal organizations that intended to destroy democracy.

All Peruvians know that our Armed Forces are renowned for their glorious tradition of love and service to the fatherland. Today we are witnessing the parade of these men who represent Peru in arms, and who throughout these past four years have worked side by side with all Peruvians to rebuild the country.

I must stress that there are no differences separating the military and civilians when the defense of Peru is at stake. Clear evidence of this are the Peasant Defense Patrols. These are farmers who have received Armed Forces training and guns to be able to defend themselves in an organized manner against terrorism.

These brave peasant patrols, who are also parading today, have become soldiers to defend their homes, their properties, and their fatherland.

The differences between civilians and the military are merely formal. This is evidenced by the Armed Forces participation in national development programs. Every day the Armed Forces are not deploying tanks but bulldozers; not cannons but hospital ships; not bombers but civilian planes that are detached to remote areas of our fatherland.

There are no differences but a solid unity of all Peruvians, in and out of uniform, in support of lofty national objectives.

Today we have a stable economy. Tomorrow we will achieve a solid economy. We are growing as a nation. Only now, after defeating terrorism and the serious problems affecting the country, can we devote ourselves to consolidating democracy and national unity. These are no mere words. This is evidenced by results.

As president of Peru I extend my heartfelt greetings to the school and university students, Peasant Defense Patrol members, the military, and policemen who are participating in this parade. [applause]

State of Emergency Extended in Puno Department

PY0108213494 Lima Radio Programas del Peru Network in Spanish 1800 GMT 1 Aug 94

[Text] To facilitate antiterrorist and drug enforcement operations, the state of emergency in Caravaya and Sandia Provinces, in Puno Department, was extended for 60 days as of today.

A supreme decree published in EL PERUANO states that, within the legal framework established by the Constitution, measures to preserve and restore public order must be implemented.

The Armed Forces will patrol Caravaya and Sandia Provinces, which have been declared in a state of emergency.

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Situation in Junin 'Normal' Despite Armed Stoppage

PY0108202794 Madrid EFE in Spanish 2144 GMT 27 Jul 94

[Text] Huancayo (Peru), 27 Jul (EFE)—Local officials have reported that the situation in the jungle zone of Junin Department was normal today despite the call for an "armed stoppage" made by the Tupac Amaru Revolutionary Movement (MRTA) terrorist group.

The stoppage under death threats which the MRTA tried to impose was scheduled for Tuesday and today [27 July], but no incidents were recorded either today or yesterday, and the people from the localities of La Merced and Satipo carried out their activities without any problem whatsoever.

The commerce, the industry, the markets, the bank operations, the activity of the official organizations, and the local transport of passangers and freight were normal.

Nevertheless, transporters rendering service from the town of Pichanaqui to the interior of the jungle region did not work for fear of some terrorist attack on the roads where the control of the security forces does not extend. The security forces make continuous patrol trips to those towns.

The transport of people between towns is carried out in Army trucks, according to people who arrived from the zone, located some 182 km north of Huancayo, the departmental capital, 315 km east of Lima, in the central Peruvian mountains.

The call for an "armed stoppage" was made known to the people through slogans painted on the walls of several villages in the zone as well as on the buses that were intercepted on the highways in previous days.

Police sources have reported that over the past seven days, MRTA active members attacked the Army and the national police base in Pichanaqui with long-range rifles from the nearby hills.

It was also reported that the terrorists blocked roads and threatened transporters and travelers, who were ordered to respect the stoppage.

The "armed stoppages" are part of the modus operandi of the Maoist Shining Path group adopted on this occasion by the MRTA, a group comprising followers of Che Guevara, which began its violent actions in 1984, four years after the Shining Path organization.

Official sources feel that the "MRTA" has practically been dismantled by the arrest of 98 percent of its top leadership, and that only small isolated cells of the group are active, especially in the country's jungle region.

General Hermoza Views Pacification Process

PY2907230694 Lima Panamericana Television Network in Spanish 1530 GMT 28 Jul 94

[Interview with General Nicolas de Bari Hermoza, chairman of the Armed Forces Joint Command, by unidentified reporters, prior to President Alberto Fujimori's state of the nation address, at the National Congress in Lima—live]

[Text] [First unidentified reporter] Good morning General. How are you?

[Hermoza] Good morning. I am fine, thank you.

[First reporter] Last year and in previous years, the president of the Republic's message described the important progress achieved in fighting subversion and in pacifying the country. We believe the president this year will not refer very much to this issue, because the people understand that the country has changed, that the situation is different, and that this can be observed when traveling through the interior of the country. One can feel the prevailing tranquility and a more peaceful environment. I believe the president will tell us something new in his address today. Can you tell us something about the general situation, the situation of the military, and the defense situation?

[Hermoza] First I must say that I fully agree with you. The progress achieved in the pacification process is reflected not only in the current political stability, which is attractive for foreign investments, but also in the current civic fervor that can be perceived here in Lima and in the provinces. In addition to the (?forthcoming) capitulation of terrorism, the president is achieving the objectives he imposed on the Armed Forces.

We are absolutely certain, positive, and convinced that we will achieve peace for our dear Peru, either this year or in the next year of President Alberto Fujimori's government. All members of the Armed Forces believe and are convinced of this, and we are engaged in finding and destroying the few remaining Shining Path and MRTA [Tupac Amaru Revolutionary Movement] cells so as to fully fulfill our objectives. Peruvian citizens can be rest assured that the Armed Forces, together with organized people under the leadership and support of President Fujimori, will fully achieve our objectives.

[Second unidentified reporter] General, the Army is playing an important role in this antisubversive fight. It is a protagonistic ally of the government in its antisubversive campaign. You have traveled throughout Peru in your role as the commander of this antisubversive fight and you have seen the poverty in our country.

The latest official reports state there are 11 million poor Peruvians. Do you think a strategic effort should be made to fight poverty since we have overcome the terrorism that terrorized all Peruvians? Is poverty the most important issue now?

[Hermoza] I fully agree with you. We need the participation of everyone. The pacification process was entrusted by the government to the Armed Forces because it is a military duty. Other objectives have been considered in other areas to make this a global fight. I believe President Fujimori is making a tremendous

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effort to eliminate poverty and is doing so in a global manner, seeking to achieve peace for Peru. The peace process must be followed by economic development.

When we visit the distant towns, when we visit native communities and small Andean towns, we are surprised and strengthened in our patriotism when we watch the resistance and the spirit of hope of our fellow citizens. This leads us to increase our efforts to pacify Peru. I am absolutely certain the president of the Republic—through the appropriate organizations in the social, economic, or political fields—is decisively facing this problem. I am certain President Fujimori is achieving great progress in this area. This can be confirmed by all our fellow citizens, especially those in settlements in the most distant places.

[First reporter] Not long ago President Fujimori made a promise that by 1995 the country would be fully pacified. Do you think this promise will be fulfilled in such a short period?

[Hermoza] When President Fujimori referred to pacification in 1995, I think he meant that together we will defeat terrorism; and this is taking place. Seditious groups have been almost totally dismantled. Progress in the economic area is now visible. By 1995, pacification and the commitment of the Armed Forces and of the National Police will be fulfilled through the total defeat of terrorism. Our fellow citizens can rest assured and trust that this will take place.

[Second reporter] What do you think when you hear international criticism that the Peruvian Army—not as an institution but some isolated members—are linked to drug trafficking. It is said that Peru is not adequately fighting trafficking, and international aid should not be expected this year.

[Hermoza] The president has established the level of the antidrug fight. This is a worldwide issue. As I have repeated at meetings with other Latin American commanders, the decision by the Armed Forces, in compliance with the law and the instructions given by the president of the Republic, is to face drug trafficking at any cost within our social and economic situation and the laws that govern repression and interdiction. Concerning the role of the Armed Forces, we will continue to play our role at any cost. This role is very significant, but we will fulfill it and the cost we will continue to pay [words indistinct] the criticism. This is the cost of dealing with the corruption that results from trafficking. We are determined to fight this problem and I think developed nations will contribute to fight this scourge that affects mankind.

[First reporter] General, we are practically on the doorstep of a new electoral process when a new president of the Republic will be elected. Will the Armed Forces again ensure the elections are clean and transparent?

[Hermoza] If we review our history we will see that the Armed Forces have always participated cleanly in the elections. You should ask the National Electoral Board how the Armed Forces have participated in past electoral processes. They have participated cleanly and beyond the call of duty to provide logistic support to help the electoral board fulfill its obligations in a responsible way. The Armed Forces have no political relations or decision- making powers in the electoral process. Our only role is to pay priority attention to the process and to provide security guarantees to the people and to officials of the national electoral board. We are certain we will continue to fulfill this mission.

[First reporter] [passage indistinct] the Armed Forces to participate actively with their votes—as in other Latin American countries like Bolivia, where the military also vote. Have there been any talks on this in our country? Personally, notwithstanding your post as chairman of the joint command, would you say it would be better for the military to be able to vote?

[Hermoza] This is a political process that must mature gradually. The military vote in other countries but I believe that—to the extent that our institutions become more democratic and our civic maturity is being consolidated—perhaps we can consider this in the future. Right now you know we are often accused of meddling in politics and other things.

[Second reporter] General, history shows that the Peruvian Army has directly participated in politics. It is participating in politics now; not in party activities, because political and party activities are often confused, but this participation is real. It is really happening.

[Hermoza] Although it is never said, the Armed Forces are subordinated to the political power. We have always been and will always be subordinated. This is foreseen in the Constitution and the laws. When there is a conflict or a war, the president of the Republic assumes the leadership and the Armed Forces must contribute with all the means at hand and all their strength to fulfill the president's orders.

[First reporter] Thank you very much for your participation.

Uruguay

Government Opposes Armed Intervention in Haiti

PY3107144494 Montevideo Radio El Espectador Network in Spanish 0900 GMT 1 Aug 94

[Excerpt] Uruguay has not endorsed an armed intervention in Haiti. Ramiro Piriz Ballon, the Uruguayan representative before the United Nations, rejected the proposal for a military intervention in Haiti to overthrow the de facto government that is ruling that Caribbean country. Piriz Ballon told the other UN representatives that Uruguay will not endorse any armed intervention in Haiti, be it unilateral or multilateral, adding that it will only support a peaceful solution to the conflict with a view to restoring democracy in Haiti.

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The military intervention was passed with 12 votes in favor and two abstentions—those of the PRC and Brazil. All Latin American countries, with the exception of Argentina, rejected the proposal for an armed intervention.

Piriz Ballon stated that Uruguay upholds the principle of nonintervention and that attempts to settle the conflict through diplomatic means have not yet been exhausted.

Mexico, Cuba, and Uruguay flatly rejected a military intervention in Haiti and called upon countries to make more political and diplomatic efforts to settle the crisis in Haiti peacefully so as to allow the reinstatement of Jean-Bertrand Aristide as president. [passage omitted]

Venezuela

Foreign Minister Reaffirms Stand on Haiti

PA0108190994 Madrid EFE in Spanish 1705 GMT 1 Aug 94

[Text] Caracas, 1 Aug (EFE)—The Venezuelan Government today criticized a possible military invasion of Haiti and pointed out it is still possible to adopt peaceful measures to restore democracy in that country.

Venezuelan Foreign Minister Miguel Angel Burelli Rivas issued a statement in which he warned about the consequences of a military invasion of Haiti.

Burelli Rivas said Venezuela had informed the UN Security Council that if Haitian President Jean-Bertrand Aristide himself requested a military invasion of his country, "we would not meddle with that act of sovereign will."

The foreign minister noted that in his letter to the Security Council Aristide called for "swift and decisive action," but this does not necessarily suggest armed intervention.

"Therefore, Venezuela believes the swift and decisive action he referred to could well be the effective enforcement of sanctions imposed against the military regime ruling Haiti—sanctions that have not been fully implemented."

Burelli Rivas insisted: "It is still possible to wait for sanctions and peaceful measures to yield the anticipated results."

The Venezuelan foreign minister pointed out that a unilateral or multilateral military invasion "is an immensely serious thing whose consequences cannot be measured."

He argued that the resources necessary to mount an invasion should instead be applied to peaceful measures to effectively help improve health, education, housing, and life in general in this "long-suffering nation."

Burelli Rivas added that a promise to give significant and specific aid to the Haitian people would apply the greatest amount of pressure on the military government.

The foreign minister said the invasion—with its traumatic and bloody cost—would be followed by an occupation, which would be just as troublesome. Because of unforeseen developments, such an occupation could escape the control of the state and even the multilateral forces occupying it, regardless of the authority granted by the international community through the UN Security Council.

The Security Council decision authorizes member-states to establish a multinational force under unified command and control, and within that framework, resort to all of the necessary means to facilitate the departure of Haitian military leaders.

Burelli Rivas underscored that in reaffirming its position against any intervention, the Venezuelan Foreign Ministry will establish a high-level mission, comprising several countries of the region, to make peaceful diplomatic efforts within the next hours to prevent multilateral armed intervention, despite the negative position assumed by the Haitian military—a position that is not in keeping with reality.

[Caracas Union Radio Network in Spanish at 2212 GMT on 1 August adds that Foreign Minister Miguel Angel Burelli Rivas "confirmed Venezuela's decision not only to disapprove of an armed U.S. invasion of Haiti but to exhaust every means of resolving this conflict peacefully."]

Interior Minister Interviewed on Referendum

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[Interview with Venezuelan Interior Minister Ramon Escovar Salom by Eleazer Diaz Rangel at the station's studios in Caracas; from "The News" newscast—live]

[Text] [Diaz] Today is the last in a series of interviews we have been conducting for the past three weeks. We have invited Interior Minister Ramon Escovar Salom, a member of President Rafael Caldera's cabinet. He is our star guest to close this series of talks. We begin by discussing a topic that has covered newspaper pages for almost a week. It deals with the referendum, primarily the recent events that have taken place. The Radical Cause bloc will withdraw from Congress if the referendum does not include a consultation on calling a constituent assembly.

But before we begin, I would like Dr. Escovar Salom to explain something he said recently about the referendum meaning greater, expanded democracy. Some have questioned the referendum, saying it is a fascist mechanism, or they associate it with a plebiscite, which is something totally different. At any rate, these are the questions that have come up regarding the referendum. Because you

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said a referendum is a mechanism that allows democracy to be expanded, I feel it is important to begin with an explanation or expansion of your comments.

[Escovar] I like this question very much because its is highly pedagogical. First, a referendum is a direct consultation with the people on a matter of importance for the nation or society. This means there can be national referenda for national problems or regional or local referenda for other problems. For instance, we could have a referendum on the construction of an airport if a community is against building it in a particular location because of the noise or pollution it would cause. That is one example. We may have regional referenda on highways, construction projects, and many other things. In the United States there have been referenda on taxes. We may have national referenda on major political consultations or major issues of national importance. The referendum is the most democratic means of democracy. It is the most direct consultation with the people. It is direct, very direct participation by the people in the decisionmaking process. The people do not participate as remote rulers through representatives. They participate through their own decisions in the process of political communication. Some people recently said referenda are instruments of dictatorships. I think my countrymen who feel this way have forgotten that a referendum and a plebiscite are two different things.

A plebiscite is a consultation without freedom or debate. A referendum is a consultation with freedom and debate, meaning every sector, segment, and person is free to comment. The so-called Bonapartist plebiscites were consultations without freedom. Dictatorships often used this mechanism to give themselves a veneer of legitimacy. What President Caldera has proposed is nothing like a plebiscite. It is a referendum because the consultation will be conducted in full freedom. Parties can argue for or against the question posed in the referendum. It is the most democratic means of expressing oneself. Some years ago, about 20 years ago, I said during a newspaper interview that Venezuela could hold a referendum on the matter of the marine and submarine areas with Colombia and the problem with Guyana, for instance. The theory is that the Venezuelan Government, regardless of which administration it is, could consult the people on a preliminary agreement to see if they support it. Unfortunately there was not much support for this idea on that occasion because many people did not understand what a referendum was. They thought I was being outlandish. Not long afterward, an Argentine president did something similar on the Beagle Channel and the dispute with Chile. Others have said the referendum is not legal or constitutional....

[Diaz, interrupting] Yes, that is another question. Some say the Constitution does not mention it, or that it would be going beyond the limits of the Constitution.

[Escovar] That is not true. It is not prohibited. The people are the source of sovereignty. The Constitution cannot prohibit anything that is done with the intent of consulting the people. Besides, it is not prohibited. It is not expressly authorized, nor is it prohibited. There is no constitutional obstacle, let alone any legal obstacle to holding it. I think it would breathe life into the political climate and the climate of democracy in Venezuela.

[Diaz] Surveys taken mainly by radio stations, not just in Caracas but in some cities in the countryside, show overwhelming support for the government's decision to suspend constitutional guarantees a second time. This seems to indicate that if a referendum were called in the near future, the government would receive massive support. Since the suspension of guarantees is a restriction of some freedoms, how do you explain the majority's support for the measure?

[Escovar] People believe that President Caldera's decision during the Council of Ministers meeting is a response to the immediate challenge we are facing. People feel this is a way to protect society in the face of the crisis. The people, public opinion, has an instinct in this matter, and that is why people support it and the approval rating is high. That is the reaction. As far as security matters are concerned, there is no doubt that the guarantee suspension has made things easier. The decision to curtail hoarding has curbed this practice, which was causing great alarm. I think a number of abuses that were being committed have stopped.

Now, the government has never thought of this as an indefinite situation. On the contrary, the government is very attentive to the upcoming approval of laws proposed in Congress. It hopes that measures allowing the government to easily reinstate guarantees will be discussed and approved. The government understands that this suspension of guarantees is a temporary measure.

[Diaz] Let us discuss recent congressional sessions, particularly in the Chamber of Deputies. How do you assess the decision by Radical Cause legislators to withdraw unless the government decides not to call a referendum? They claim that the referendum should include a question on a constituent assembly. What is their objective?

[Escovar] I must say I regret their decision because I think it would have been preferable for them to participate in the dialogue to try to overcome the political crisis. If they withdrew from the legislature, even temporarily, they would be less likely to contribute to finding a political solution to the crisis. We must make a great effort toward conciliation with all forces represented in the legislature.

We in Venezuela need to become aware of the need for a profound conciliation in the country, not just political conciliation but spiritual conciliation. Personally, as interior minister, I am seeking agreements with all legislative and political forces. On the other hand, I do not think that certain attitudes should be exaggerated. For example, it would be unfair and dangerous to accuse all businessmen of being criminals or profiteers. The

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same applies to industrialists and bankers. Such accusations cannot be generalized. It is very dangerous to wage a sort of holy war against segments of society. I personally disagree with that kind of attitude.

In the specific case of guarantees, I think it is important now for the various legislative blocs to hold talks among themselves and with the government. I am willing to talk with them as a representative of a government body in charge of policy-making. I am willing to talk with them, and I have made recent efforts in that direction. Actually, I have done so continuously. I have met with them frequently. In the past days, however, I have tried to intensify such contacts to listen to other sectors, because the government must listen to them. The government should have an attitude of dialogue and understanding toward the views of other sectors in the country.

To the extent that we find a calm and serene solution to this problem we will be contributing to the country's stability, because Venezuela's main problem right now is more political than economic. The economic situation is indeed serious, but it cannot be overcome without the appropriate political atmosphere. Solutions are basically political at present. Politics go before the economy. I know this is hard to swallow for some people who do not understand it. They disagree with what I am saying, but economic problems cannot be solved without solving the political problems first.

Mexico is one example. Why is Mexico facing terrible problems like the Chiapas crisis if economic reforms are being made? Because they neglected politics. They forgot that it is necessary to pair political reforms with economic reforms. The two are related. One cannot manage the economy without managing politics. In other words, society has several channels of communication, but it has two aspects that are indispensable to an understanding of public problems: One is the political aspect, and the other is the economic aspect. Without them you cannot govern a country. In this case, politics prevails over the economy because there can be no economic agreements without political agreements.

[Diaz] In this search of yours, which has evidently increased in past weeks, and based on changes—let's not say changes—based on the conduct of Democratic Action [AD], an important political party in Congress, have you found any real possibility of reaching an agreement so Congress can quickly meet the government's demands by approving several laws and thus find a solution to the current impasse?

[Escovar] I believe that AD, which is such an important party, can contribute greatly and still remain in the opposition. It can help solve domestic and regional problems. I make a big effort to keep in contact with AD in the countryside every time I go there. When I visit state capitals, I meet with all parties, AD included. I also try to have good relations with AD governors. I think it is very important to talk with AD in Congress. As I see it, they have assumed a contemplative position, which I find interesting. I think Luis Alfaro, the party's secretary general, has a very open attitude, which, we must admit, can greatly contribute to the stability and political solution of the crisis. I hope they will have a positive impact on the current situation.

[Diaz] Don't you see the referendum and the agreements and negotiations as, if not mutually exclusive, at least contradictory courses of action?

[Escovar] I believe the agreements....[pauses] It depends on the scope of the agreements, because the referendum would not be necessary if the immediate political problem were resolved. The president of the Republic proposed that differences regarding the suspension of guarantees be solved in a referendum and that Venezuelans decide if they approve of this course of action. That is what the president said. Of course, some people want to expand on his proposal. Several sectors believe the referendum should be more daring. Radical Cause has even proposed that the referendum include the constituent assembly issue. Technically speaking, this is possible.

Now, to hold a referendum in broad, democratic terms, we require a certain degree of consensus, and perhaps some sectors would not agree to be so encompassing in this consultation. Regardless of the circumstances and positions, there has to be dialogue prior to the referendum. There has to be dialogue, prior communication between the various sectors. We have to get used to dialogue, to talking to each other. The crisis cannot be solved if there is no communication between the different segments of society. This must be very clear to everyone. I think people must leave their aggressions aside. As interior minister, I personally am unwilling to inflame the country further. There is enough heat to kindle it already. My position is more in line with putting out fires. I am not a professional fireman [chuckles], but I do think I can help soften things without causing the government to lose its firmness. Firmness is one thing, and composure is something else.

[Diaz] When you ended your presentation to Congress last week on the reinstatement of guarantees, you said the Venezuelan citizen is unprotected [invalido]. I think this is true, and it is an issue you have broached regularly as a columnist. Now, does that mean some of those laws will help strengthen the Venezuelan citizens' position?

[Escovar] They could contribute to that end. These laws, however, are not precisely the ones I believe are needed to strengthen the citizens' position. They will undoubtedly work in his favor. They are meant to punish foreign exchange, monetary, and several other economic crimes, and of course this will help the citizen. We have to conduct a campaign and implement a policy to defend the citizens' economic rights.

In my last annual report to Congress as attorney general of the Republic, I presented my thoughts in this regard. I said that the Attorney General's office had to protect the citizens' economic rights in the future. I wrote this

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report at the end of last year, before the banking crisis developed. As you can see, I did not say it because of the banking crisis but because I had been aware for quite some time that Venezuelans do not have any economic protection. I think this has to be included in the Constitution in the near future. We need guidelines to protect society from inflation. What is inflation? It is when the economy expropriates money from the citizens' pockets. We have a bolivar in our pocket, and suddenly we find it is not worth 100 anymore but only 10 [currency unspecified]. That is expropriation. It is almost as if it had been stolen from your pocket or if you were robbed on the street. It is robbery but with another name.

[Diaz] Let us turn to another current issue. There were friction and contradictions at the governors' convention between the central power and what we could call the new regional power. It seems they proposed various means or speeds to carry out the decentralization and development process or the process to strengthen regional power. What was your impression of that convention? Does this reveal a risky trend, or is it simply the expression of a process that is really new to Venezuela?

[Escovar] I think the latter is correct. There are various speeds possible for the decentralization process: high, medium, and halt. Recently there have been many problems in the speed and orientation of the decentralization process. But one thing must be clear: Decentralization is a necessity. Not because it is stated in a book or a theory, but because it is a practical necessity.

The nation, the national government, cannot bear a number of burdens that it performs inefficiently. Governments must give them up and transfer to the states a number of services in the fields of health, education, and others. Some governors have made great efforts. I would like to congratulate them but I don't want to name names to avoid leaving anyone out. It would be unfair not to recognize everyone. Nevertheless, certain governors have done very good work in the decentralization process. We must encourage this.

There have been mistakes. Some governors have exaggerated things, perhaps out of impatience, or maybe due to a lack of knowledge about the real possibilities. At times the national power has stopped the process. The important thing to remember is that decentralization is a process. It is not carried out through a decree in society. Decentralization is not accomplished by signing a decree. It is a process that requires corrections.

At the governors' convention there were certain small differences—maybe major differences—of concept but mostly of opinion. That is natural. I think the convention turned out to be good. I personally have noticed during my trips to the countryside that most governors are working enthusiastically. This must be encouraged. Some of them do not fully trust the national power. They call it the central power. Perhaps this is based in Venezuelan tradition, in things of the past, something in the subconscious.

The president of the Republic, however, is very interested in implementing this process wisely. The national government is interested in doing this in the best possible way. Thus, there must also be an atmosphere of conciliation and mutual understanding between the governors and the national executive branch. But many things come up. For example, at the Interior Ministry there is a telephone system called the intergubernatorial telephone. One dials a special number and the desired governor answers. The governors can also have a direct line with the Interior Ministry. This telephone system has not worked well for a long time. There is no direct communication. It is a technical failure of the system.

[Diaz] No, this is a technical failure of CANTV [National Telephone Company of Venezuela].

[Escovar] I do not know, I asked for an investigation. You could be right, but I do not know if CANTV is to blame. At any rate, there is a failure. It seems unimportant, but really it is very important. The fact that a governor and the interior minister can have smooth communications or that the interior minister can use the telephone easily reflects faster communications. The fact that this telephone system was abandoned, that it has become another forgotten item, among many others, is indicative of a lack of communication. I suppose this is due mostly to its infrequent use. It is like muscles that aren't exercised.

[Diaz] A very short question to end the program. I have here a communique which literally states that freedom of expression is a chimera in Venezuela if property rights do not exist. What is your opinion? Is this exaggerated?

[Escovar] It would depend on how it is interpreted. What I don't see....[pauses] The theoretical problem would have to be discussed more extensively. It would have to be discussed from a historical perspective and in broader terms. I don't see the relationship between one thing and the other in the specific case we are studying here. Frankly, I don't see how this applies to Venezuela now. The conceptual aspect could be discussed, but I don't believe freedom of expression is necessarily linked to property. Most of the people who have demanded freedom of expression throughout the centuries have been those who did not have property. So, I don't see....

[Diaz, interrupting] Yes, the thing is that ownership of the media is at risk; I mean theoretically, as a concept. As you have said, in terms of this specific situation-....[pauses] I said yesterday that I don't think one piece of information has been banned, withheld from publication, or partially censured with the suspension of guarantees.

[Escovar] None at all. Maybe that could happen in a dictatorship, under an authoritarian regime, but I don't see how this relates in any way to Venezuela's specific case. We have absolute freedom of expression here.

The other day a foreign journalist was telling me that one of the things that impressed him most in Venezuela was

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how freely issues were discussed on television and radio programs and in the press. I told him that a few international sources have said there is a dictatorship, an authoritarian regime, in Venezuela. They were even so bold as to say that we had a Bolshevik government. How can they say something like that? But there are people who believe them. Such things are only said because there are people who will believe them. Anyone who comes to Venezuela knows that people here have freedom of expression. There is absolute freedom of expression on this television channel, which is a government channel. Anyone can come here to criticize the government without any problem.

[Diaz] Thank you very much, Interior Minister Dr. Ramon Escovar, for accepting our invitation. We also thank our viewers for watching this program.

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